Council of the European Union

Brussels, 3 May 2017
(OR. en)

8770/17
ADD 1

MI 374
COMPET 286

COVER NOTE

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	2 May 2017
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	SWD(2017) 210 final
Subject:	COMMISSION STAFF WORKING DOCUMENT Assessment of the performance of SOLVIT Accompanying the document COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS Action plan on the Reinforcement of SOLVIT: Bringing the benefits of the Single Market to citizens and businesses

Delegations will find attached document SWD(2017) 210 final.

Encl.: SWD(2017) 210 final

EUROPEAN
COMMISSION

Brussels, 2.5.2017
SWD(2017) 210 final

COMPLIANCE PACKAGE

COMMISSION STAFF WORKING DOCUMENT

Assessment of the performance of SOLVIT

Accompanying the document

COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

Action plan on the Reinforcement of SOLVIT: Bringing the benefits of the Single Market to citizens and businesses

{COM(2017) 255 final}

Contents

1. INTRODUCTION

SOLVIT is a network set up by national governments in the EU in order to provide fast and effective help to individuals and businesses who have been deprived of their EU rights in the Single Market. The purpose of this document is to assess the performance of the SOLVIT network after the adoption of the 2013 Recommendation, using the criteria of effectiveness, efficiency, coherence, relevance and EU added value to guide this analysis. This analysis does not aim at evaluating comprehensively the functioning of SOLVIT or its contribution and wider impacts to the functioning of the Single Market but critically assesses the functioning of the network vis-à-vis its objectives since the adoption of the 2013 Recommendation.

2. BACKGROUND

SOLVIT was launched on the basis of a Commission Recommendation in July 2002.[1] It is an informal problem solving network within Member States, coordinated by the Commission and has developed significantly since its creation. The principles governing SOLVIT have been updated - to take into account developments of the first 10 years of SOLVIT - by the Commission Recommendation of 2013[2] (replacing the initial 2001 Recommendation).

According to its mandate as described in the 2013 Recommendation, SOLVIT deals with cross-border problems caused by a potential breach of Union law governing the internal market by a public authority, where and to the extent such problems are not subject to legal proceedings at either national or Union level. It contributes to a better functioning Single Market by fostering and promoting better compliance with Union law. Its objectives will be further elaborated in section 4.

The service is provided free of charge by civil servants of the national administration in each EU country and in Iceland, Liechtenstein and Norway. Although there is a SOLVIT centre in each country, the complaints are mostly submitted directly through an online complaint form[3] linked to the Internal Market Information System (IMI system)[4], which is provided by the Commission and respects all data protection rules. The sources of SOLVIT cases are internet searches, signposting by other partner networks (Your Europe Advice and to a lesser extent the Europe Direct Contact Centre, Ombudsmen, Chambers of commerce etc) or government authorities and word of mouth in particular among migrant or professional communities.

The position of each SOLVIT centre within the national administration differs.[5] SOLVIT aims to find solutions within 10 weeks – starting on the day the case is taken on by the SOLVIT centre in the country where the problem occurred. Submitting a case to SOLVIT doesn't suspend any formal or administrative deadlines under national law.

---

1 Commission Recommendation of 7 December 2001 on principles for using "SOLVIT" – the Internal Market Problem Solving Network.

2 Commission Recommendation of 17 September 2013 on the principles governing SOLVIT (2013/461/EU), OJ L 249, 19.9.2013, p. 10–15.

3 http://ec.europa.eu/eu-rights/enquiry-complaint-form/home?languageCode=en&origin=solvit-web

4 See Regulation (EU) No 1024/2012 of the European Parliament and of the Council of 25 October 2012 on administrative cooperation through the Internal Market Information System and repealing Commission Decision 2008/49/EC ('the IMI Regulation') OJ L 316, 14.11.2012, p. 1–11.

5 For example, in the Ministry of Foreign Affairs, the Ministry of Economic Affairs, the Business Authority, the Ministry of Justice. For an overview please visit http://ec.europa.eu/solvit/contact/index_en.htm

Whilst SOLVIT is informal and pragmatic in nature, its set-up contributes to ensuring that solutions found are compliant with Union law. SOLVIT is based on a transparent problem-solving process involving two Member States. The SOLVIT cases are managed through a procedure which is described in the 2013 SOLVIT Recommendation. The two SOLVIT centres cooperate to solve cases through the SOLVIT database, which is integrated in the IMI system. The database enables SOLVIT centers to register cases under certain categories and provide a description of the circumstances relating to each case, appropriate follow-up alerts at appropriate stages of the case which need to be answered; search functions to identify specific cases; possibility to export cases in order to provide statistics etc.

European Commission officials, national SOLVIT centres and other national bodies communicate via electronic correspondence (the SOLVIT application is part of the IMI application), inter alia for the case handling and the provision of informal legal advice. Complainants usually submit their cases through an online complaint form. Other sources of cases to SOLVIT are transfers from the networks of Your Europe Advice and Europe Direct Contact Centre as well as submission by letter, email etc. to the SOLVIT centre established in the country of the applicant. When submitted through the online complaint form or transferred by YEA and EDCC, the cases are stored as drafts directly in the SOLVIT database, which is a module of the IMI System. When submitted through traditional means, the centre that receives the case must record it in the database. There are always two SOLVIT centres cooperating through the SOLVIT database to resolve a case: the centre established in the country of the origin or residence of the applicant (Home centre) and the centre established in the country where the problem has occurred (Lead centre). When a complainant submits a problem to the network, the Home SOLVIT centre legally analyses the complaint. When it fits the SOLVIT criteria (cross-border issue, public authority involved, no legal proceedings at stake and alleged breach of EU law) the Home centre submits the case through the SOLVIT application to the Lead centre. The Lead centre contacts the relevant authority and comes back with a solution that it proposes - again through the database - to the Home centre. Whilst the Commission is not normally involved in resolving cases, it is in close contact with SOLVIT centres, offers regular legal training and, in some complex cases, provides informal legal advice. It also monitors SOLVIT case handling and outcomes via the on-line database.

SOLVIT deals with all cross-border problems related to the four freedoms of movement (persons, goods, services and capital) including supporting policies that have a direct impact on the Single Market (such as taxation, employment, social policy and transport). Single Market legislation includes measures considered to have an impact on the functioning of the Single Market, as defined in Articles 26 and 114 (1) of the Treaty on the Functioning of the European Union (TFEU). The most recurrent legal areas are social security, free movement of persons and residence rights, recognition of professional qualifications.

The diagram below sets out the needs and objectives of SOLVIT, its operational objectives and inputs and outputs and the results achieved by SOLVIT both in the shorter term and the longer term.

Graph 1: SOLVIT intervention logic

An external evaluation was conducted in 2011[6] for the Commission Services on the SOLVIT's set-up and performance. The evaluation's findings were used to deploy the Commission' s strategy for SOLVIT in 2012[7], which was followed by the adoption of the updated Recommendation on the priciples governing SOLVIT in 2013. The evaluation was based on an analysis of documents and SOLVIT data, as well as a series of surveys and interviews with SOLVIT centres, citizens and businesses that have used SOLVIT, representative organisations, staff of various departments belonging to the national administration, EU Pilot contact points, national ombudsmen, Commission staff dealing with infringement cases and assistance services such as Your Europe Advice, European Consumer Centres or Enterprise Europe Network.

The evaluation came to the following conclusions:

- SOLVIT offers fast and effective solutions to citizens and businesses, both from a qualitative perspective (user satisfaction is high and SOLVIT centres have a solid

6 See "Evaluation of SOLVIT-Final Report" conducted by the Centre for Strategy and Evaluation Services for the Directorate General for Internal Market and Services, November 2011. Available at http://ec.europa.eu/solvit/_docs/2011/2011_solvit-assesses-relevance_en.pdf

7 See Commission Staff Working Document 'Reinforcing Effective Problem-Solving in the Single Market – Unlocking SOLVIT's full potential at the occasion of its 10th anniversary', SWD(2012) 33 final.

reputation within their own administrations) and a quantitative perspective (the benefits offered by SOLVIT are at least 6 times higher than the costs of running the network). SOLVIT centres also act as 'agents for change' and lead to overall better compliance with single market rules by national authorities, which further increases the positive effects of SOLVIT;

- SOLVIT's main strengths are its user-centric, pragmatic and informal approach to problem solving, facilitated through an on-line tool and the 'network spirit' that binds administrations from the Member States. SOLVIT has shown itself capable of handling a wide variety of cases in a pro-active manner;
- SOLVIT's main weaknesses are scarce resources and limited legal expertise, in particular in light of the increasing variety of cases SOLVIT is called upon to address. In addition, some centres lack the independence and authority necessary to secure good results;
- In order to enhance SOLVIT's capacity and output, stronger synergies between SOLVIT and other information and assistance tools should be explored. In addition, the relationship between SOLVIT and EU Pilot should be clarified;
- There is a need to further modernise the day to day running of the SOLVIT network, amongst others by improving the functionalities of the SOLVIT database;
- SOLVIT still only works for a limited number of complainants: too few potential users are finding their way to SOLVIT, meaning many single market problems remain undetected and unresolved;
- SOLVIT offers a rich source of information on how the single market works in practice and where shortcomings remain. In general, however, that data remains under-explored and there is no systematic follow-up procedure for problems identified via SOLVIT.

All these issues were addressed in the 2013 SOLVIT Recommendation as described in section 4.

3. METHODOLOGY

This analysis critically investigates the functioning of the SOLVIT network following the adoption of the Recommendation re-establishing the principles of SOLVIT in 2013 and it therefore covers the period from 2013 until 2015. As a guide for the assessment, the analysis is based on the Commission's five standard evaluation criteria (effectiveness, efficiency, relevance, coherence, and EU added value), through a set of questions answered below in section 5. It does not aim at replacing a comprehensive evaluation of the performance of SOLVIT. Section 4 first describes the developments of SOLVIT over the years of its existence and the objectives set out by the 2013 Recommendation.

This analysis is based on various sources of information related to the use and performance of SOLVIT, such as the annual assessments of the performance of the SOLVIT network, published since 2012 in the Single Market Scoreboard[8], using four main indicators (see point 5.1.2).

Besides, this analysis takes into account the outcome of the monitoring of the case handling done by the Commission services, as well as the recommendations included in the individual reports sent each year to the national administrations, based on assessments of the Commission team that coordinates the network.

But beyond the annual assessment done in the Scoreboard and in recommendations to Member States, it would be difficult to set up more detailed quality performance indicators for SOLVIT centres, because of the qualitative nature of the performance of SOLVIT and because of the diversity of the workload in SOLVIT centres (different case load, different legal areas), in combination with the informal set up of the network.

Apart from the annual assessments of SOLVIT, several discussions take place with Member States in the context of SOLVIT bi-annual workshops. In relation to the current analysis, the first discussion on the network's functioning and its future role took place during an informal meeting between 18 Member States in Lisbon in September 2015, which was followed by the SOLVIT workshop organized in Rome in October 2015. More in depth discussions were conducted during the subsequent workshops in March 2016 in Brussels and in September 2016 in Luxembourg.

Moreover, in order to address the needs of business and their feedback on the existing functioning of the network, consultations in the form of conferences and meetings with key representatives of business stakeholders took place in June 2016 and are ongoing.

As regards ongoing regular users' feedback, it focuses on accessibility and user-friendlines of the application, so the setup of the current user survey does not allow drawing systematic conclusions on the performance of SOLVIT.

Finally, although this assessment is covering years 2013 to 2015 and despite operational and quality objectives set out by the 2013 Recommendation, as described in section 4, the conclusions of the external evaluation of SOLVIT's set-up and performance conducted in 2011 remain relevant for the analysis in terms of baseline.

Annex I contains the list of the existing studies, reports and evaluations on SOLVIT.

8 During the previous years, an individual report on SOLVIT was published. For an overview of the existing reports see http://ec.europa.eu/solvit/documents/index_en.htm

4. THE DEVELOPMENTS OF THE SOLVIT NETWORK

4.1. Period 2001-2013

The SOLVIT Network was set up by a Commission Recommendation in June 2002.[9]It built upon an existing network of Co-ordination Centres, one for each Member State, which had been established in 1997[10] to deal with such problem cases. This network, however, had certain shortcomings which were subsequently addressed by the 2001 Recommendation. [11]

According to the 2001 Recommendation, the general objective of the network was the effective informal problem resolution to cross-border problems, confronting an individual or business in a Member State involving the application of Internal Market rules by a public authority in another Member State. This included situations where a citizen or business having an administrative link (e.g. nationality, qualifications, establishment) with one Member State is already in the second Member State where the problem occurs. Internal Market rules were defined as the provisions governing the functioning of the Internal Market.6

The operational objectives set for the Member States were to ensure that adequate human and financial resources are available to the centres in order to be able to deal with an increased number of cases, to provide a high quality service to users and to promote awareness. In addition, time deadlines were set to the Lead Centre as follows[12]:

- It should confirm acceptance of the case within one week;
- It should update the information in the database whenever there is a change or at least once a month;
- The deadline for the resolution of a case was set to ten weeks.

In the first 10 years of its existence, SOLVIT's caseload increased tenfold. An overview of the evolution in the number of cases received from 2003[13] to 2012 is provided in table 1.[14] This was also due to the subsequent enlargements of the EU in 2004 and 2007 and the addition of new centres.

Based on the 2004 yearly report on the performance of SOLVIT, the overall case flow of the SOLVIT network increased by 73% from 167 cases in 2003 to 289 in 2004. 94 out of these 289 were cases submitted or received by one of the ten new SOLVIT centres, indicating that inclusion of the new Member States accounted for a 56% increase in the case flow. A further 17% of case increase was unrelated to enlargement.[15]

---

9 Commission Recommendation of 7 December 2001 on principles for using "SOLVIT" – the Internal Market Problem Solving Network.

10 See Single Market Action Plan of 1997 CSE (97) 1 final of 4.6.1997.

11 See Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions - Effective Problem Solving in the Internal Market ("SOLVIT"), COM/2001/0702 final.

12 Centre in the Member State where the problem has occurred.

13 As SOLVIT was established in June 2002, the year 2002 is not statistically relevant.

14 All the cases are recorded in the SOLVIT database.

15 See the yearly report on the performance of SOLVIT for 2004 available at http://ec.europa.eu/solvit/_docs/annual_reports/2004_solvit_annual_report_en.pdf

Similarly, according to the 2007 yearly report on its performance,[16] SOLVIT handled 75% more cases (765 cases) than 2006 (481 cases). 15% of this increase was due to the EU accession of Bulgaria and Romania.

Table 1: Evolution in the number of cases in SOLVIT-2003 to 2012 (source SOLVIT database)

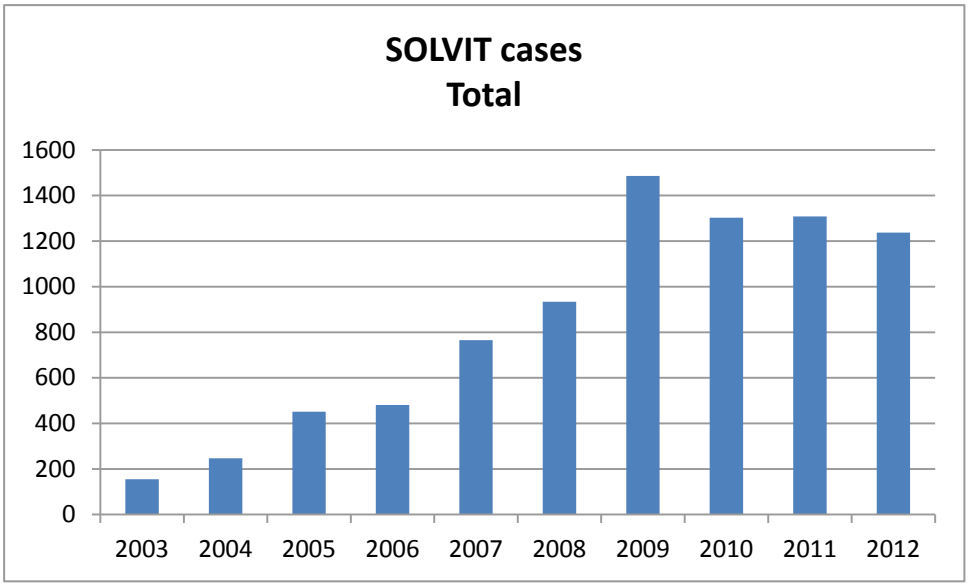
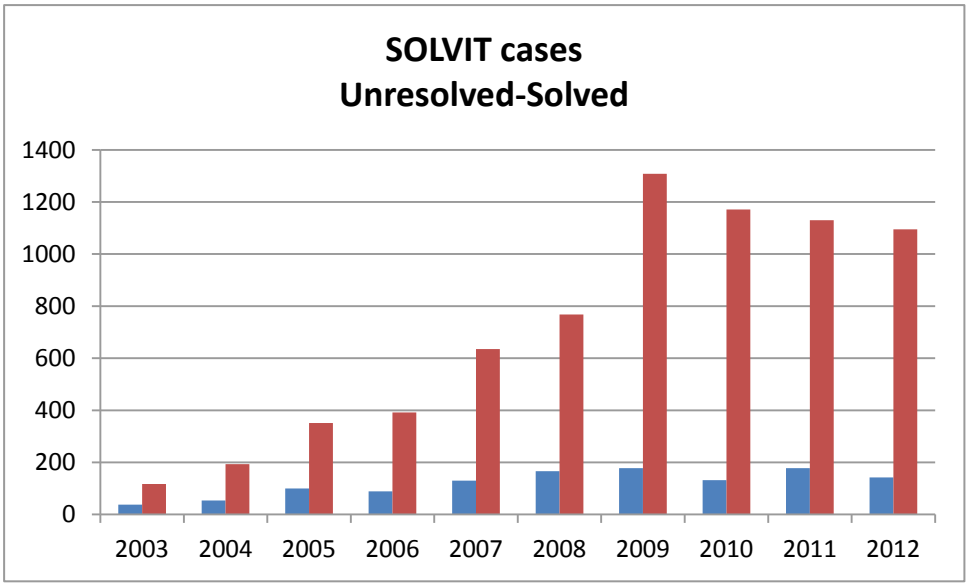


Table 2: Evolution of number of unresolved versus solved cases in SOLVIT-years 2003 to 2012 (source SOLVIT database)



16 See the yearly report on the performance of SOLVIT for 2007 available at http://ec.europa.eu/solvit/_docs/annual_reports/2007_solvit_annual_report_en.pdf

The success of SOLVIT is illustrated by its high resolution[17] rate over these years, as presented in table 2. Whilst the network had been very successful in its first 10 years of existence, it also faced a number of challenges.

The external evaluation conducted in 2011[18] for the Commission Services on the SOLVIT's set-up and performance demonstrated the need to clarify SOLVIT's mandate, strengthen synergies between SOLVIT and assistance services that offer information and advice, better integrate SOLVIT in complaint-handling by the Commission, enhance SOLVIT's capacity to deal with social security cases, by strengthening synergies between SOLVIT and the Administrative Commission for the coordination of Social Security Systems, establish minimum staffing benchmarks, ensure proper legal expertise and assistance, provide SOLVIT with a new IT tool, introduce new methods of quality control, enhance the visibility of and access to SOLVIT and make more effective use of SOLVIT's case results to improve the functioning of the Single market.[19]

4.2. Period 2013 and onwards

Following the 2011 evaluation for SOLVIT and a strategy paper adopted by the Commission in 2012[20], the legal framework governing SOLVIT was modernized in 2013[21].

According to the 2013 Recommendation, the **general objective** of SOLVIT is to deliver fast, effective and informal solutions to problems individuals and businesses encounter when their EU rights in the internal market are being denied by public authorities and to contribute to a better functioning Single Market by fostering and promoting better compliance with Union law.

In order to achieve this purpose:

i. Its **mandate** was clarified as follows:

- 'Structural cases' caused by a national rule in breach of EU law and involving at least two Member States should also fall under the SOLVIT remit as it turned out that in practice these cases were already taken on board by most of the SOLVIT centres;
- 'Union law governing the internal market' is defined as any Union legislation, rules or principles related to the functioning of the internal market within the meaning of article 26(2) TFEU. This includes rules that do not aim to regulate the internal market as such but have an impact on the free movement of goods, services, persons or capital between Member States;

17 Cases are considered as "resolved" where the incorrect implementation or application of EU law is redressed and the problem is solved for the client, but also where SOLVIT established that EU law was correctly implemented or applied.

18 See "Evaluation of SOLVIT-Final Report" conducted by the Centre for Strategy and Evaluation Services for the Directorate General for Internal Market and Services, November 2011. Available at http://ec.europa.eu/solvit/_docs/2011/2011_solvit-assesses-relevance_en.pdf

19 See Commission Staff Working Document 'Reinforcing Effective Problem-Solving in the Single Market – Unlocking SOLVIT's full potential at the occasion of its 10th anniversary', SWD(2012) 33 final.

20 Idem.

21 Commission Recommendation of 17 September 2013 on the principles governing SOLVIT (2013/461/EU), OJ L 249, 19.9.2013, p. 10–15.

ii. The **role of the Commission** in the network was explicitly addressed. It was clarified that the Commission should organise training sessions and network events, provide case-handling assistance and informal legal advice in complex cases and cases relating to 'structural problems', monitor the quality and performance of SOLVIT centres as well as the cases they handle and promote the knowledge and use of SOLVIT within European stakeholder organisations and European Union institutions, as well as improve the accessibility and presence of SOLVIT via on-line means. Regarding unresolved and 'structural problems', the Commission should secure appropriate communication between SOLVIT, CHAP[22] and EU PILOT[23] in order to ensure an appropriate follow-up of unresolved SOLVIT cases, monitor structural cases, avoid duplication in the handling of complaints and inform SOLVIT centres, at their request, about the follow-up given by the Commission to unresolved cases, where a complaint has been lodged with the Commission.

iii. The Recommendation set out **minimum standards and specific qualitative objectives** SOLVIT centres should comply with in order to apply the same rules and deliver the same consistent type of service across the network. These relate to three main areas: (i) the quality of the service (ii) the use of SOLVIT and (iii) the handling, follow-up and reporting of 'structural problems' linked to breach of EU law by the Member States as presented in table 3.

Table 3: SOLVIT quality standards and objectives set out by the 2013 Recommendation (source Commission services)

The quality of the service
• **Operational targets**
1) Initial contact with the applicant – the target deadline is 7 days maximum
2) Time taken to prepare cases for transfer to the SOLVIT centre in the Member State where the problem occurred – the target deadline is 30 days maximum
3) Time taken to handle a case – the target deadline is 10 weeks maximum
4) Resolution rate of cases
• **Adequate staff resources and legal expertise in the SOLVIT centres**
1) Sufficient and well-trained staff with an operational knowledge of more than one Union language where needed to ensure fast and transparent communication with other SOLVIT centres
2) Adequate legal expertise or relevant experience with the application of Union law in order to be able to make independent legal assessments of cases
3) SOLVIT centres are situated in the part of the national administration with sufficient powers of coordination to be able to ensure the correct implementation of Union law
4) SOLVIT centres are able to establish a network within the national administration in order to have access to the specific legal expertise and support needed in order to find practical solutions to cases
The use of SOLVIT

22 Commission complaint registration system (Complaint Handling – Accueil des Plaignants).

23 COM (2007) 502 final.

1) Member States should ensure that user-friendly information and easy access to the SOLVIT services is available, in particular on all relevant websites of the public administration
2) Member States should also undertake activities to raise awareness about SOLVIT amongst its stakeholders
3) SOLVIT centres should co-operate with other European and national information and help networks
4) The Commission will promote the knowledge and use of SOLVIT with European stakeholder organisations and European Union institutions and will improve the accessibility and presence of SOLVIT via on-line means
Handling, follow-up and reporting of 'structural problems' linked to breach of EU law by the Member States and unresolved cases and link to formal Commission complaint handling procedures
1) SOLVIT centres should flag these cases in the database so as to enable the Commission to systematically monitor them
2) The Lead centre should assess as soon as possible whether the problem can be resolved through the SOLVIT procedure. If it considers that this is not possible, it should close the case as unresolved and inform the relevant national authorities responsible for the correct implementation of Union law in that Member State, so as to secure that the breach of Union law is effectively put to an end. The Commission should also be informed through the database
3) SOLVIT centres should be in regular contact and co-operate closely with their national EU Pilot Contact Points, in order to secure a proper exchange of information on cases and complaints received
4) The Commission will closely monitor these cases and, where needed, lend advice and assistance to ensure that the structural problem is put to an end. The Commission will consider whether unresolved structural problems require further follow-up
5) Within the reporting framework for SOLVIT, the Commission will separately report on structural cases
6) The Commission also secures appropriate communication between SOLVIT, CHAP and EU Pilot in order to ensure an appropriate follow up of unresolved SOLVIT cases, to monitor structural cases and to avoid duplication of the handling of complaints
7) The Commission informs SOLVIT centres, at their request, about the follow-up given by the Commission to unresolved cases, where a complaint has been lodged with the Commission
8) Where appropriate, the Commission may refer complaints it has received to SOLVIT with a view to finding a rapid and informal solution, subject to the consent of the complainant (possibility of transfer of cases from CHAP to SOLVIT)

5. ANALYSIS

5.1. The extent to which the objectives have been achieved

5.1.1. Intended objectives and effects of SOLVIT.

The **general objective** of SOLVIT is to deliver fast, effective and informal solutions to problems individuals and businesses encounter when their EU rights in the internal market are being denied by public authorities and to contribute to a better functioning Single Market by fostering and promoting better compliance with Union law.

As analysed in section 4, the general objective of SOLVIT is supported by **minimum standards and specific qualitative objectives** SOLVIT centres should comply with in order to apply the same rules and deliver the same consistent type of service across the network that relate to three main areas: (i) the quality of the service (ii) the use of SOLVIT and (iii) the handling, follow-up and reporting of 'structural problems' linked to breach of EU law by the Member States and unresolved cases and the link to formal Commission complaint handling procedures. The following sections analyse the effectiveness of SOLVIT towards these objectives.

5.1.2. The quality of the service-Operational targets

The performance of SOLVIT and national SOLVIT centres is reported yearly as of 2012 [24] in the Single Market Scoreboard.[25] The data used for these assessments are extracted from the SOLVIT database where all the cases are stored. This scoreboard aims to give an overview of the practical management of the Single Market and a performance overview for all the Member States and in particular their SOLVIT centres. It also covers the results that have been achieved, the feedback received and conclusions drawn, providing a basis for future action.

The overall performance of Member States is measured through their performance in four operational indicators:

Table 4: Analysis of SOLVIT operational indicators (source Commisison services)

Indicator	Value a country is assigned	When
1. Initial contact with the applicant-the target deadline is 7 days maximum	GREEN = +1	SOLVIT centre meets the target in more than 75% of the cases
	YELLOW = 0	SOLVIT centre meets the target in 55-75% of the cases
	RED = -1	SOLVIT centre meets the target in less than 55% of the cases

24 During the previous years, an individual report on SOLVIT was published. For an overview of the existing reports see http://ec.europa.eu/solvit/documents/index_en.htm

25 See http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/solvit/index_en.htm. The data for 2016 will be published on July 2017.

2. Time taken to prepare cases for transfer to the SOLVIT centre in the Member State where the problem occurred-the target deadline is 30 days maximum	GREEN = +1	SOLVIT centre meets the target in more than 75% of the cases
	YELLOW = 0	SOLVIT centre meets the target in 55-75% of the cases
	RED = -1	SOLVIT centre meets the target in less than 55% of the cases
3. Time taken to handle a case- the target deadline is 10 weeks maximum	GREEN = +1	SOLVIT centre meets the target in more than 75% of the cases
	YELLOW = 0	SOLVIT centre meets the target in 55-75% of the cases
	RED = -1	SOLVIT centre meets the target in less than 55% of the cases
4. Resolution rate of cases	GREEN = +1	SOLVIT centre meets the target in more than 90% of the cases
	YELLOW = 0	SOLVIT centre meets the target in 70-90% of the cases
	RED = -1	SOLVIT centre meets the target in less than 70% of the cases

A country's **overall performance** is based on the sum of the scores in the 4 indicators. A country's performance is assessed as:

- **satisfactory (green value)** if the sum is 2 or more points on the above indicators;
- **needs improvement (yellow)** if the sum is 1, 0 or -1 points on the above indicators;
- **poor (red)** if the sum is -2 or lower points on the above indicators.

In 2015, as presented in table 5, out of 31 SOLVIT centres (one in each Member State and Norway, Iceland and Lichtenstein, 16 overall performed satisfactory (green value) whereas 13 needed improvement (yellow value). No assessment was made for Iceland and Liechtenstein as they had no cases.

Table 5: 2015 overall performances and per indicator (source Single Market Scoreboard-2015 edition). The countries shaded are countries with under 10 cases.

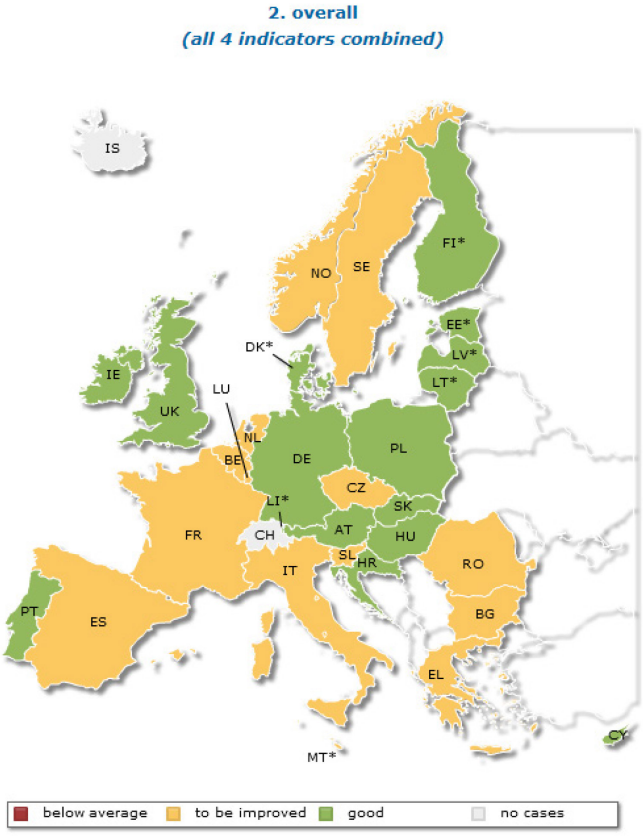
Row Labels	AT	BE	BG	CY	CZ	DE	DK	EE	ES	FI	FR	GR	HR	HU	IE	IT	LT	LU	LV	MT	NL	NO	PL	PT	RO	SE	SI	SK	UK
within 7 days	78%	73%	83%	50%	78%	54.7%	88%	100%	92%	43%	49%	69%	89%	46%	89%	71%	89%	75.0%	92%	75.0%	94%	100%	81%	95.5%	79%	76%	73%	100%	93%
within 30 days	83%	72%	91%	100%	61%	72%	95%	100%	90%	92%	88%	100%	96%	86%	91%	77%	67%	98%	100%	75%	93%	85%	84%	98%	74.5%	82%	95%	96%	89%
within 70 days	73%	57%	75%	85%	31%	72%	50%	100%	68%	67%	58%	63%	73%	71%	58%	54.9%	60%	81%	100%	78%	91%	59%	76%	60%	71%	65%	70%	88%	82%
Solved	91%	86%	100%	96%	69%	99%	75%	100%	75%	80%	98%	29%	86%	73%	67%	92%	80%	86%	100%	89%	83%	62%	95%	97%	98%	58%	90.0%	78%	88%
Overall indicato	3	0	4	2	-1	0	1	4	2	0	1	0	2	0	1	1	1	3	4	3	3	1	4	3	2	1	2	3	3

[1]	**Home centre sending an initial reply within the 7-day target in:**	**> 75% of cases**	**55-75% of cases**	**< 55% of cases**
[2]	**Home centre submitting case to Lead centre within 30-day target in:**	**> 75% of cases**	**55-75% of cases**	**< 55% of cases**
[3]	**Cases handled by Lead centre within 10-week target in:**	**> 75% of cases**	**55-75% of cases**	**< 55% of cases**
[4]	**Resolution rate**	**> 90%**	**70-90%**	**< 70%**
*	**Countries with under 10 cases**			

The overall performance of the SOLVIT network on the 4 indicators is comparable in previous years.

As shown in graph 2, in 2014, 16 performed in the overall satisfactory, 14 needed improvement and Iceland did not have any case.

Graph 2: 2014 overall performance (source Single Market Scoreboard-2014 edition). The countries with an asterisc are countries with under 10 cases.



As presented in graph 3, in 2013 14 centres performed in the overal satisfactory and 16 needed improvement. Lichtenstein did not have any case.

Graph 3: 2013 overall performances and per indicator (source Single Market Scoreboard-2013 edition). The countries with an asterisc are countries with under 10 cases.

This demonstrates that the overall quality and performance of the service as measured by the combination of the four operational indicators varies across the network due to different factors which will be further analysed in section 5.1.6.

The inconsistent delivery of service by different SOLVIT centres is also evident in the individual analysis of the distinct four indicators presented in table 6:

Table 6: Analysis of performance of the SOLVIT network in individual indicators (source SOLVIT database)

	2013 (% cases)	**2014 (% cases)**	**2015 (% cases)**
Target of 7 days to establish contact with applicant not met	25,7%	24,7%	23%
Target of 30 days to prepare case not met	14,9%	14,9%	14%
Target of 10 weeks to resolve a case not met	38%	34%	33%
Unresolved cases	15%	8%	12%

On the specific indicators, the **first indicator** measures the **time taken to establish initial contact with the applicant**. The target deadline is 7 days maximum. It is important to establish an initial contact with applicants promptly. In that way SOLVIT's role can be explained to them and any possible issues can be checked.

In 2013 the deadline was not met in 25,7% of the cases and in 24,7% in 2014. In 2015, in 23% of the cases the applicants got their first reply after the deadline of 7 days.

The situation has slightly improved but efforts are still needed. Based on the assessment of the Commission services that coordinate the network, the reasons not to contact the applicant within 7 days maybe due to overload of work or other tasks on top of the SOLVIT work.

As regards the **second indicator on the time taken to prepare cases for transfer to the SOLVIT centre in the Member State where the problem occurred**, in 2015 the preparation of cases took longer than the 30 days deadline in14% of the complaints (14,9% in both 2013 and 2014). Based on the assessment of the Commission services that coordinate the network, the reasons for this maybe the legal complexity of a case, the need to gather documents from the applicant that are not yet available to legally assess the issue at stake or overload of work.

On the **third indicator and the time taken to resolve a case**, in 2015 33% of cases were closed over the 10 weeks deadline and 11% amongst them were closed over the 20 weeks deadline. The situation has slightly improved but efforts are still needed. In 2013 38% and in 2014 34% of the cases were closed over the 10 week deadline and 14% and 12% respectively were closed over 20 weeks. Based on the assessment of the Commission services, the reasons for taking longer maybe the legal complexity of a case, the difficulty in convincing the national authority that they had breached EU rules, disagreements about the interpretation of EU law, the long time it can take in some cases to get an informal legal advice from the Commission services or overload of work.

Concerning the fourth **indicator on the resolution of cases via SOLVIT**, 12% of the cases could not be resolved through SOLVIT in 2015, whilst in 2013 this percentage was 8% and in 2014 15%. Although this indicator must be analysed in the light of its informal nature based on administrative cooperation between Member States, the Commission services attribute this variation partly to the fact that SOLVIT is dealing increasingly with complaints that relate not only to a one-off misapplication of EU law but also to 'structural' and 'recurrent' problems relating to national legislation or administrative in breach of EU law (see also analysis in section 5.1.5). The informal nature and the current functioning of SOLVIT are less effective in resolving there 'structural and recurrent problems' and the overall resolution indicator is influenced by SOLVIT's performance in these cases.

Similarly, the study 'Smart Single Market Regulation' of London Economics for the European Parliament[26] also notes that demand for the services provided by the Single Market governance tools (wider than only SOLVIT, also including EEN, EURES, ECC net) has been continuously rising in the last decade. However, in line with what is shown above, there is room for improvement. In particular, long case handling periods and limited expertise of network staff were mentioned.

26 See 'Smart Single Market Regulation' (IP/A/IMCO/2015-02 PE 563.442), London Economics for the European Parliament, Directorate General for Internal Policies, Policy Department A, Economic and Scientific Policy at the request of the Internal Market and Consumer Protection Committee.

In conclusion, the overall quality and performance of the service as measured by the combination of the four operational indicators varies to a rather large extent across the network. The resolution rate of SOLVIT is underpinned by its less effective performance in resolving cases linked to 'structural' and 'recurrent problems' linked to national legislation or administrative practice in breach of EU law.

5.1.3. The quality of the service-adequate staffing, legal expertise and authority

The staffing levels for the SOLVIT centres are also assessed in the Single Market Scoreboard by measuring the time spent on SOLVIT work in relation to the caseload.

The Commission services have set up targets as regards the minimum number of staff (FTEs or full-time equivalents) which is determined by the caseload of the SOLVIT centres as follows:

- small SOLVIT centres (16-50 cases) => 1 FTE
- medium SOLVIT centres (51-150 cases) => 2 FTEs
- large SOLVIT centres (151-300 cases) => 3 FTEs
- very large SOLVIT centres (over 300 cases) => 3.5 FTEs

In order to take into account the added value of experienced members of the network, trainees working in SOLVIT are considered as ½ FTEs.

In 2015, the Commission services' assessment on staffing as illustrated in table 7 demonstrates that many SOLVIT centres continue, as in previous years presented in subsequent reports in the Single Market Scoreboard, not to meet the staffing target. Based on the assessment of the Commission services that coordinate the network, in many cases, staff may be unable to cope with any further caseload increases. Many centres also seem to experience difficulties with communicating promptly (replying to e-mails, telephone calls etc.). High turnover in some centres makes business continuity and efficient case handling more difficult. In addition, many SOLVIT centres often have to give priority to other tasks for their national administrations, leaving insufficient time for SOLVIT duties. Taking this assessment into account, the priorities established in the 2015 Single Market Scoreboard report on the SOLVIT performance indicate that further work is required from governments in making sure that SOLVIT centres are adequately staffed, in enabling them to prioritise SOLVIT work and in ensuring a degree of staffing continuity.

Table 7: 2015 staffing performance (source Single Market Scoreboard-2015 edition)

Number and volume of SOLVIT centres	Number of centres that did not meet the staffing target
8 small	5
10 medium	2
9 large	4
4 very large	4

As regards **the quality standards** set out in the 2013 Recommendation for staff in the SOLVIT centres presented in table 3, apart from the FTEs of each centre, the Commission services monitor the authority, relations within the administration, case handling and legal expertise of SOLVIT centres through their support and advice in cases and ensuring that the solutions are in line with EU law. Because of the qualitative nature of these standards, the fact that the staff in the SOLVIT centres are civil servants part of the national administration, the diversity of the work in and between SOLVIT centres (different case load, different legal areas) in combination with the informal set up of the network, it is not feasible for the Commission nor in its competence to set up more detailed and relevant quality performance indicators than those already used for the annual assessment in the Single Market Scoreboard.

If necessary, the Commission services address issues through recommendations in the individual reports sent each year to the national administrations. A SOLVIT centre's **authority and relations** depend on the type of cases they deal with and their position within the national administration. Their current position varies across the network, but they are mainly located in the Ministries of Economy, Finance etc and Foreign Affairs, Justice etc. as presented in table 8.

Table 8: Position of SOLVIT centre within national authority (source Commission services)

Government Office, Ministry of Foreign Affairs, Justice etc.	Ministry of Economy, Finance, Commerce etc	Decentralised authorities
Belgium- Directorate General for European Affairs and Coordination	Austria- Federal Minister of Science, Research and Economy	Denmark- Internal Market Centre, placed within the Danish Business Authority, which falls under the responsibility of the Minister of Business and Growth
Bulgaria- EU Affairs Department of the Council of Ministers	Cyprus- Ministry of Energy, Commerce, Industry and Tourism	Sweden- National Board of Trade
Spain- Ministry of Foreign Affairs and Cooperation	Czech Republic-Ministry of Industry and Trade	
France- General Secretary for European Affairs which depends directly from the Prime Minister	Germany-Federal Ministry of Economic Affairs and Industry	
Hungary-Ministry of Justice	Estonia- Ministry of Economic Affairs and Communication	
Italy- Ministry of European Policy of the Presidency of the Council of the Ministry	Greece- Ministry of Finance	
Portugal- Ministry of Foreign	Finland-Ministry of Employment	

Affairs, DG European Affairs	and Economy	
Romania- Ministry of Foreign Affairs, Directorate for Approximation of Legislation	Croatia- Ministry of Economy	
Slovakia-Government Office of the Slovak Republic.	Ireland- Single Market Unit of the Department of Jobs, Enterprise and Innovation	
Lichtenstein- EEA Coordination Unit	Lithuania- Ministry of Economy	
	Luxembourg- Ministry of Economy	
	Latvia- Ministry of Economy	
	Malta- Ministry for the Economy, Investment and Small Business	
	Netherlands-Ministry of Economic Affairs	
	Norway- Ministry of Trade, Industry, and Fisheries	
	Poland- Ministry of Economy	
	Slovenia- Ministry of Economic Development and Technology	
	UK- Department for Business, Innovation and Skills	

As regards **the legal expertise,** consultations with the SOLVIT centres and the business stakeholders demonstrate that there is need to enhance the legal expertise of SOLVIT, especially in complex legal areas, their administrative capacity and their authority by increasing the support of the Commission services, inter alia in legal advice as regards the interpretation of EU law. The fact that SOLVIT has a wide mandate covering the full spectrum of Single Market legislation must also be taken into account as in some cases, the different Commission services deploy more expertise as regards the interpretation of EU law than individual SOLVIT centres.

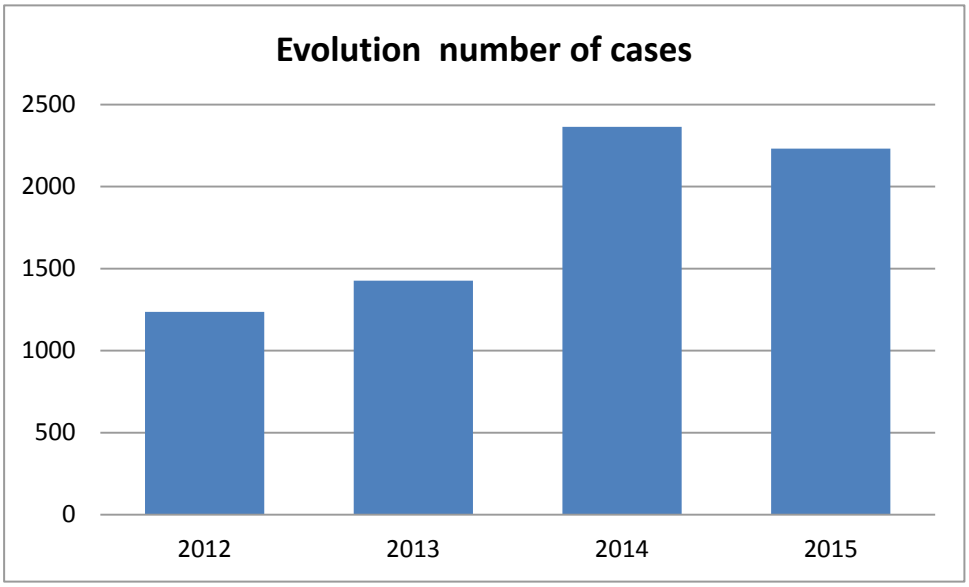
In conclusion, the staffing target in absolute numbers is not met across the network, the authority and relations of SOLVIT centres within their national administration vary and there is need to reinforce the administrative capacity and the legal expertise of SOLVIT, especially in legally complex areas.

5.1.4. The use of SOLVIT

The 2013 Recommendation prescribes quality objectives to increase the use of SOLVIT that relate to user-friendly information and easy access to the SOLVIT service, awareness raising activities and cooperation with other European and national networks at the national and EU level and improvement by the Commission services of the accessibility and presence of SOLVIT via on-line means.

The cases submitted in SOLVIT are increasing, although steadily in 2015. In 2015, the SOLVIT caseload was 2 228 cases. An overview of the evolution in the number of cases received for the period 2012-2015 is provided in table 9.

Table 9: Evolution in number of cases 2012-2015



Firstly, as regards the **user friendliness of the information** on SOLVIT and its on-line presence, this is currently measured only by a very limited, unstructured user survey feedback which focuses on whether the information on the SOLVIT website is easily found and is clear, if an applicant easily understands whether or not SOLVIT could be of assistance and whether it was easy to submit a problem to SOLVIT. The setup of the current user survey does not allow drawing systematic conclusions on the performance of SOLVIT in this area. This issue should be addressed.

Secondly, regarding the **cooperation of SOLVIT with other networks**, it currently entails information and signposting from all partner networks apart from Your Europe Advice and Europe Direct Contact Centre. In 2013, SOLVIT stepped up cooperation with two services: Europe Direct Call Centre (EDCC), an information service that answers general enquiries about the EU, and Your Europe Advice (YEA), an advisory service providing personalized advice on EU rights. Both services are provided by external contractors under contracts signed with the European Commission.

In detail, since 2013, a technical innovation enables queries to be transferred seamlessly from Your Europe Advice and EDCC to SOLVIT. Whenever YEA/EDCC experts think a query involves a problem that could be handled by SOLVIT, they can transfer it directly to the

SOLVIT application. Cases transferred by YEA/EDCC are identified by their reference and have the reply provided by the expert attached to the case. This guarantees the transparency and consistency of the replies.

This increased cooperation is expected to have 2 results: (a) SOLVIT will be able to help those entitled to its assistance, and (b) it can reduce the incidence of queries falling outside its remit. EDCC and YEA's prior assessment of the issues concerned should ensure the initiative's success.

In 2014, the cooperation with Your Europe Advice (YEA) has been further strengthened by enabling SOLVIT to directly transfer questions to YEA, in order to assist national centres in legally assessing a case.

In 2015, 51% of the cases were submitted online, 12% were transferred by YEA and 1% were transferred by EDCC. The rest were submitted via other means (e-mail, phone, post, in person).

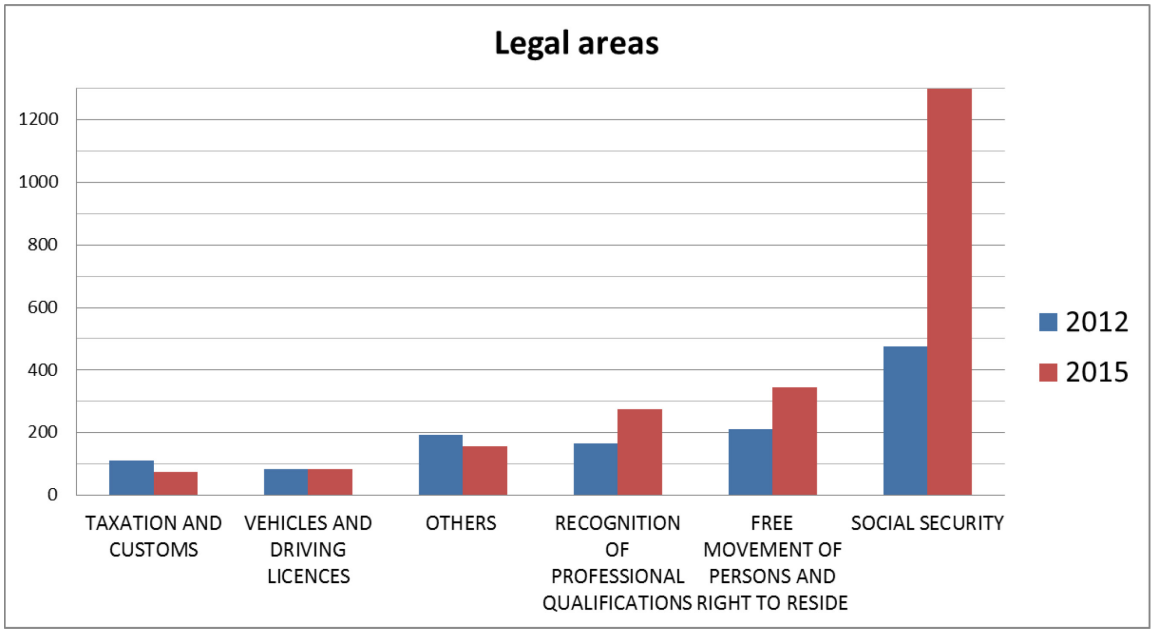
In 2015 SOLVIT also received an additional 2 500 complaints that were not within its remit (the figure for 2014 was 2 400). For those cases, SOLVIT helped complainants by explaining their EU rights in more detail or by finding another means of redress.

The proportion of 47% for the in and out of scope cases (2 228 vs 2 500 in a total of 4 728) cannot be considered satisfactory and deviates the reduced resources of the national SOLVIT centres from their main tasks. In 2013, the proportion of eligible cases was 45% and 49% in 2014.

Efforts need to continue to address the issue of out of scope cases and cooperation with other networks needs to be further strengthened in order to raise awareness of SOLVIT and clarify the services it offers.

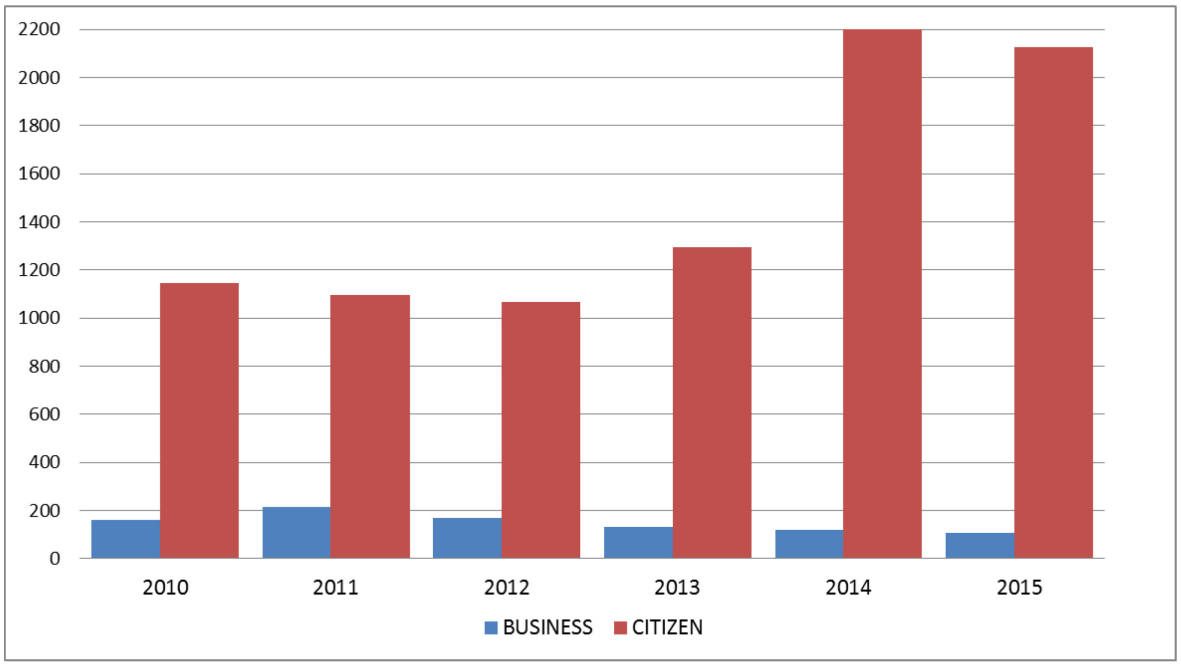
Another point as regards the use of SOLVIT is that, although the number of cases has increased significantly in the period 2012-2015, this is mainly due to the increase of submission of cases in two specific legal areas, namely social security and residence rights which relate to citizens. The other areas do not have the same level of increase. This is obvious from the comparison of the legal areas in SOLVIT for the years 2012 and 2015 in table 10.

Table 10: Evolution in legal areas 2012-2015 (source SOLVIT database)



Coherent with this trend in the legal areas over the years, businesses have submitted only a fraction of the number of cases compared with those submitted by individuals as highlighted in table 11. In 2015, SOLVIT received 107 out of 2 228 cases, which were 10 less than in 2014.

Table 11: Evolution of citizens' vis-à-vis business cases 2010-2015 (source SOLVIT database).



The main legal areas on business cases in 2015 were taxation (30 cases), free movement of services (24 cases) and free movement of goods (21 cases).

The resolution rate of business cases is lower than the network average at 83%. It is particularly good in the taxation field (where there are many cases of late VAT reimbursement), though less so where the free movement of goods and services is concerned.

Most goods and services cases are about the justification of a national measure restricting the marketing of a good or the provision of a service. It is often very hard to analyze, prove and convince a national authority in an informal way that a given measure is disproportionate, especially where large sums are involved.

Recent findings supporting the lack of awareness for SOLVIT are included in the study 'Smart Single Market Regulation' of London Economics for the European Parliament.[27] It underscores that a number of studies[28] have shown the level of awareness of the various information and assistance services on the Single Market – ranging from the *Your Europe* portal to Your Europe Advice and SOLVIT - is very limited among both European citizens and businesses. For example, only around 7% of consumers and 9% of businesses surveyed in 2013 indicated that they had heard of *Your Europe* when specifically prompted, and less than 0.5% of both respondent groups named the information portal when asked about EU-level online services they would turn to if they needed information or advice on EU legislation. For SOLVIT, the level of prompted awareness amongst survey respondents is 4%.

Similarly, according to the December 2015-January 2016 panel survey on the European Internal Market conducted by the Netherlands Chamber of Commerce, the 80% of Dutch entrepreneurs who are doing business in the internal market have never heard of the listed online information and advisory services (including SOLVIT). Among them, 35% of entrepreneurs who did experience such problems (n=150), do what the government asks, even when they know it is not in accordance with EU law, 26% give up and 1,1% contact SOLVIT.[29]

This is also recognized in the 2015 Single Market Scoreboard report on the SOLVIT performance as an area for the European Commission to further prioritize work and reach out to business – mainly via the *Your Europe Business* portal, EU-level business organisations, networks like the EEN and goods/services national contact points.

In the same line, the April 2016 study "Reducing Costs and Barriers for Businesses in the Single Market"[30] conducted by London Economics Europe for the European Parliament mentions that the reduction of barriers to the European labour market is especially important due to the ongoing demographic change which will increasingly trigger labour shortages especially in the market for skilled workers. It notes that some existing e-government tools, such as SOLVIT address these issues but their main challenge is their visibility. Target audiences are currently too unlikely to discover the appropriate assistance. The study also highlights that an exploratory visibility check using Google showed that the services of SOLVIT and Your Europe Advice are more easily accessed if a search is carried out in Italian or Spanish, than they are for example in English, German, or French.[31] Quick fixes to the existing services might be attained through Search Engine Optimization, and more user friendly layouts of the websites.

---

27 See 'Smart Single Market Regulation' (IP/A/IMCO/2015-02 PE 563.442), London Economics for the European Parliament, Directorate General for Internal Policies, Policy Department A, Economic and Scientific Policy at the request of the Internal Market and Consumer Protection Committee.

28 Sources: London Economics (2013), Eurobarometer (2013), Eurobarometer (2010).

29 See Panel survey European Internal Market, Netherlands Chamber of Commerce, December 2015 / January 2016.

30 See Study "Reducing Costs and Barriers for Businesses in the Single Market" IP/A/IMCO/2015-06 April 2016 PE 578.966, Conducted by LE Europe for the Policy Department A at the request of the Internal Market and Consumer Protection Committee of the European Parliament.

31 The study searched on Google for "getting certificate recognized abroad" and "why aren't I allowed to work in Spain" in English, German, Italian, French, and Spanish and monitored the quickest link to SOLVIT and Your Europe Advice.

Along the same spirit, in April 2016 the European Parliament[32] stated its concern by the low level of awareness and understanding among Europeans of the services available, such as *Your Europe*, Your Europe Advice and SOLVIT, noted that only 4% of consumers and companies are aware of such tools and that the level of take-up of these services is very low at present. It called on the Commission and the Member States, with a view to resolving this problem, to foster further awareness of such tools, while examining whether the outcomes and responses they generate are adequate for users. Furthermore, it called on the Commission, to work on better cooperation between the various assistance services, such as Your Europe and SOLVIT, with the aim of increasing user satisfaction. This was reiterated in May 2016, [33] with a call to raise awareness of the network amongst citizens and SMEs and of its practical role in solving interpretation problems relating to the Single Market.

Finally, targeted consultations of the Commission services with business stakeholders also highlighted the issue of awareness and visibility of SOLVIT and insufficient cooperation with partner networks and business organizations as a factor undermining the effectiveness of SOLVIT.

In conclusion, the quality objectives set out in the 2013 Recommendation that relate to the use of SOLVIT have not been met. There is lack of a comprehensive user survey feedback on the user friendliness of the information on SOLVIT and its on-line presence. The cooperation with other networks has not been fully developed to raise awareness of SOLVIT and clarify the services it offers, especially as regards businesses. The network continues to receive too many out of scope cases and a very small proportion of business in comparison to citizens' cases.

5.1.5. The handling, follow-up and reporting of 'structural problems' linked to breach of EU law by the Member States and unresolved cases and the link to formal Commission complaint handling procedures

As outlined in table 3, the 2013 SOLVIT Recommendation sets out specific quality objectives for the handling, follow-up and reporting of structural problems linked to breach of EU law by the Member States and unresolved SOLVIT cases.

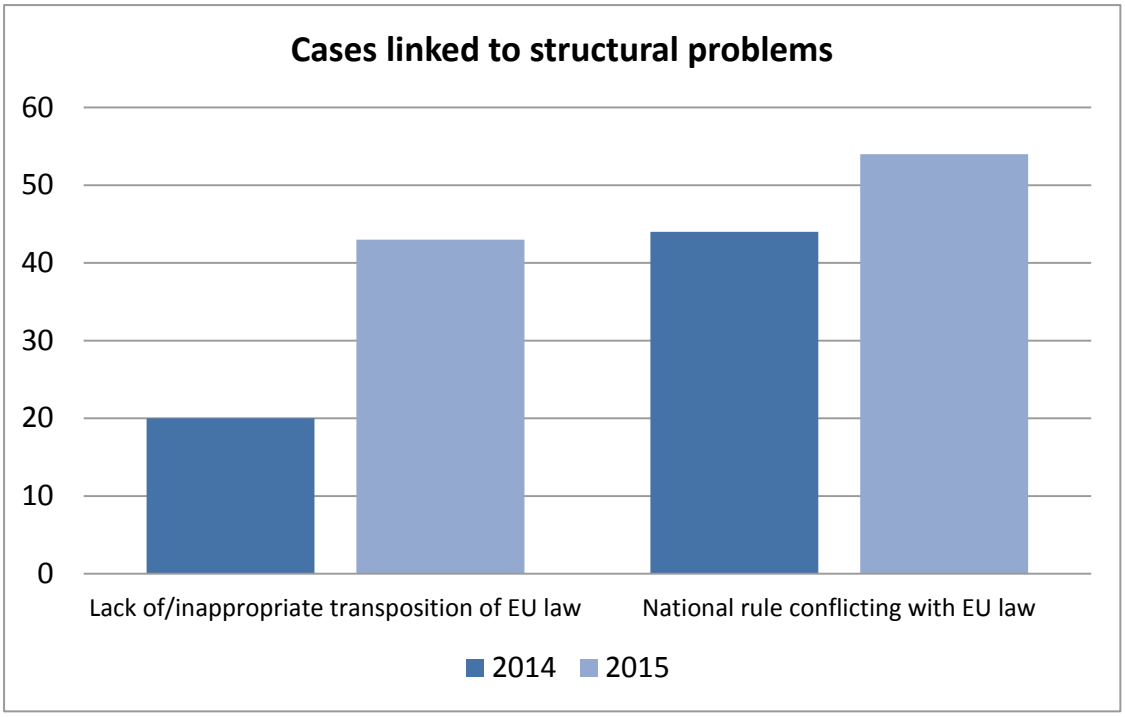
'Structural cases' are usually highly complex. They often entail amendments to national laws, so resolving them usually takes longer than the SOLVIT 10-week deadline. These cases are recorded under a distinct classification in the database and are reported separately in the yearly assessments of SOLVIT in the Single Market Scoreboard as provided in the 2013 SOLVIT Recommendation.

In detail, the number of cases linked to structural problems handled in SOLVIT increased in 2015 to 97 cases (64 in 2014) and the cases closed within 10 weeks were 39%. The main legal areas were free movement of people and residence rights (50), recognition of professional qualifications (14), free movement of workers (10) and social security (10). As is illustrated in table 12, 43 of them related to lack of/inappropriate transposition of EU law and 54 to national rule conflicting with EU law.

32 See Resolution 'Towards improved single market regulation',P8_TA(2016)0105, (2015/2089(INI)), European Parliament, April 2016.

33 See Report "The Single Market Strategy" (2015/2354(INI), rapporteur Lara Comi, European Parliament, May 2016.

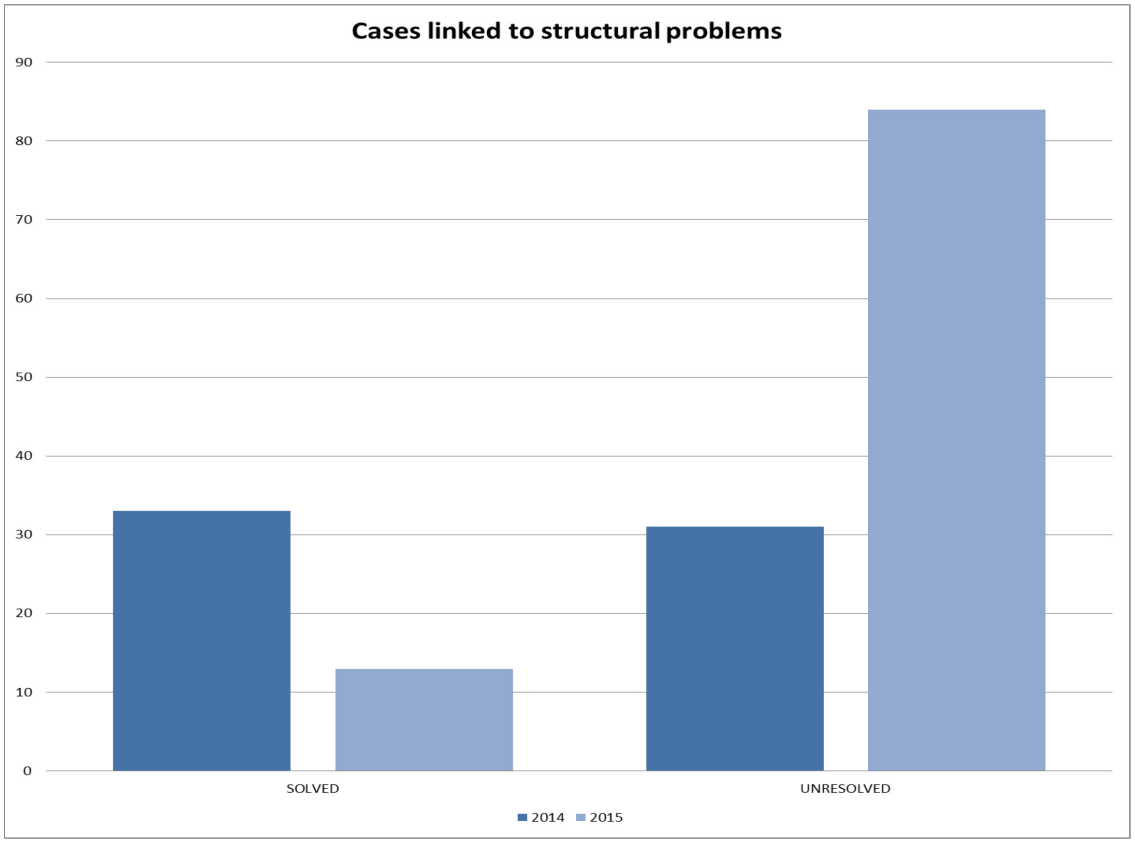
Table 12: Evolution of structural problems 2014-2015. As the provisions of the Recommendation apply from 1st October 2013, this year is not statistically relevant for the evolution of 'structural problems' detected through the SOLVIT database (source SOLVIT database).



Although the number of the 'structural problems' handled in SOLVIT is increasing, the current handling, follow-up and reporting on these problems is not allowing for a systematic follow-up to structural problems as detected through SOLVIT to promote Member States' smart compliance with EU law.

As presented in table 13, out of the 97 structural cases in 2015, 84 were unresolved and 13 solved. This corresponds to a resolution rate of 13%.

Table 13: Resolution of structural problems 2014-2015 (source SOLVIT database).



Although this can be justified by the informal nature of SOLVIT, this can also be attributed to the fact that there is currently no systematic and structured set-up for the handling, follow-up and reporting of 'structural problems' detected in SOLVIT linked to breach of EU law by the Member States and unresolved SOLVIT cases. The 2013 SOLVIT Recommendation provides that when a SOLVIT centre does not succeed within the SOLVIT time frame of ten weeks to solve a case linked to a 'structural problem', this case should be closed as 'unresolved'. This time frame is extended only if the SOLVIT centre believes that there is added value in continuing to work on a 'structural case' beyond this deadline. In practice, the Commission services observe that cases are closed as unresolved and if a SOLVIT centre succeeds to persuade its national administration to change its legislation or administrative practice in conflict with EU law, it requests to change the status of the case to resolve. The current functionalities of the SOLVIT application do not allow for a systematic monitoring of the actions undertaken at the national level to address these problems. In addition, the Commission services currently do not engage in a systematic and structured use of the evidence in the SOLVIT application for the follow-up, if appropriate, of structural and unresolved cases in the infringement and policy strategy of the Commission. Based on the low resolution rate and the assessment of the Commission services on the functioning of the network, this lack of structured and systematic use of the information detected in SOLVIT does not allow for the effective case handling of 'structural cases' in SOLVIT. There is lack of a clear and systematic cooperation mechanism between, on the one hand, SOLVIT and the evidence gathered, through its cases, from the practical implementation of the Single Market legislation 'on the grounds' and, on the other hand, the infringement and policy strategy of the Commission services.

This conclusion is also supported by the Member States. In September 2015, all the Member States endorsed a policy paper (the so-called 'Lisbon paper') on the future of SOLVIT[34]. The paper was presented to the Competitiveness Council in November 2015[35]. The Member States point out that SOLVIT cannot live up to its full potential for businesses and citizens. They stress that unresolved and repetitive cases are often rooted in difficulties with national implementation and application of EU law. A clear follow-up procedure for these unresolved cases is lacking. Neither SOLVIT centres nor complainants are informed about whether there will be a follow-up. Repetitive cases without structural solutions are not effectively dealt by the Commission or referred to the Council and co-legislators. The paper stresses that citizens and businesses should not have to lodge their complaint again if their case is unresolved in SOLVIT as is the current situation. Moreover, it notes that the follow-up of the unresolved SOLVIT cases is not transparent and there is a lack of clear reporting and mechanism to the Member States and SOLVIT centres. The 'Single Market 'Scoreboard' focuses too stringently on the statistical performance of SOLVIT centres and not on problem areas.

This is also confirmed by the study 'Smart Single Market Regulation' of London Economics for the European Parliament[36] which highlights that the Single Market tools potentially offer valuable information about the issues hindering a successful implementation of the different Single Market areas. This information could be used to inform new policy priorities and adjustments to existing programmes and policies. Conversely, policy adjustments might be able to address those factors that impair the effectiveness of assistance tools.

Similarly, the April 2016 study 'Reducing Costs and Barriers for Businesses in the Single Market' of LE Europe for the European Parliament[37] stresses that a coherent and comprehensive system for collecting and collating information on the costs and barriers to the Single Market needs to be developed and implemented. In order to achieve this, existing information tools, such as SOLVIT, Your Europe Advice, and Enterprise Europe Network should be redefined and linked with other existing tools that collect information about barriers and costs. A dedicated and frequently updated report on the state of play and progress on the Single Market should be published, based on the information produced by the recommended information system. Moreover, it highlights that information about enquiries, complaints and barriers derived from tools such as SOLVIT, Your Europe Advice and Enterprise Europe Network is a potentially very valuable input to Single Market policy-making. That information can provide a basis for specific actions to address barriers to the Single Market. There are already examples of actions being taken on the basis of this type of information, but more systematic and transparent use of this information needs to be developed. Along the same spirit, in April 2016 the European Parliament[38] urged the Commission to launch timely

34 The paper was the outcome of a conference on SOLVIT held in Lisbon and organized by 18 SOLVIT centres on 18 September 2015. It contains specific actions and calls for the reinforcement of SOLVIT through (i) its promotion as the first step in the enforcement of EU law, (ii) the systematic follow-up by the Commission services of unresolved and repetitive cases and (iii) the establishment of regular reporting for SOLVIT to the Council.

35 http://www.consilium.europa.eu/en/meetings/compet/2015/11/30-01/

36 See 'Smart Single Market Regulation' (IP/A/IMCO/2015-02 PE 563.442), London Economics for the European Parliament, Directorate General for Internal Policies, Policy Department A, Economic and Scientific Policy at the request of the Internal Market and Consumer Protection Committee

37 See "Reducing Costs and Barriers for Businesses in the Single Market" IP/A/IMCO/2015-06 April 2016 PE 578.966 conducted by LE Europe for the European Parliament, Directorate General for Internal Policies, Policy Department A, Economic and Scientific Policy at the request of the Internal Market and Consumer Protection Committee.

38 See Resolution 'Towards improved single market regulation',P8_TA(2016)0105, (2015/2089(INI)), European Parliament, April 2016.

and faster infringement proceedings where evidence exists to demonstrate a failure in implementation and where reasonable efforts to solve problems through tools such as mediation, in the form of SOLVIT or other pre-infringement mechanisms, have failed. It stressed that Member States have an equal responsibility to enforce EU law, and should ensure effective and efficient enforcement in order to uphold consumer rights and create a level playing field for businesses throughout Europe. This was reiterated in May 2016,[39] when the European Parliament emphasised that it is necessary to reinforce the SOLVIT network, particularly by extending the interaction between SOLVIT, CHAP, EU Pilot and Enterprise Europe Network (EEN) to streamline the broader framework of EU complaint procedures. In addition, it stressed that data on issues raised through the SOLVIT network should be taken into account when the Commission considers how to identify priorities for enforcement action and called on the Commission to strengthen its efforts to help Member States solve the most problematic cases.

Apart from dealing with 'structural problems' linked to breaches of EU law, the 2013 Recommendation provided a link of the formal complaint handling of the Commission with SOLVIT. In details it provides thatt where appropriate, the Commission may refer complaints it has received to SOLVIT with a view to finding a rapid and informal solution, subject to the consent of the complainant. Where these complaints are individual, non-sensitive cases fulfilling the SOLVIT criteria[40] and are not subject to legal proceedings, ideally they should be considered for submission to SOLVIT.[41]

To facilitate this process, an automatic technical transfer from the Commission's complaint handling mechanism to SOLVIT was established in October 2014 and the EC SOLVIT team conducts training for EC case handlers to promote the use of this transfer. Up to date, this is used in a very limited way. In 2015, only one case was transferred and closed as resolved in SOLVIT. The 2015 Single Market Scoreboard assessed that the European Commission must continue efforts inside the Commission to increase awareness and use of SOLVIT to make more use of this possibility.

In conclusion, as regards the objectives related to handling, following-up and reporting of 'structural problems' linked to breach of EU law by the Member States and unresolved SOLVIT cases, SOLVIT is not currently effective. The lack of structured and systematic use of the information detected in SOLVIT does not allow for the effective case handling of 'structural cases' in SOLVIT. In addition, there is lack of a clear and systematic cooperation mechanism between on the one end SOLVIT and the evidence gathered, through its cases, from the practical implementation of the Single Market legislation 'on the grounds' and on the other end the infringement and policy strategy of the Commission services. Finally, the Commission's complaint handling link to SOLVIT is not functioning effectively as in 2015 only one case was transferred to SOLVIT and subsequently closed as resolved.

5.1.6. Factors influencing the effectiveness SOLVIT

Several factors influence the effectiveness of SOLVIT.

39 See Report "The Single Market Strategy" (2015/2354(INI), rapporteur Lara Comi, European Parliament, May 2016.

40 There is a potential breach of EU law, the problem has been caused by a public authority in the EU or in Norway, Liechtenstein and Iceland and there is a cross-border element.

41 Communication from the Commission 'EU law: Better results through better application', C/2016/8600, OJ C 18, 19.1.2017, p. 10–20.

5.1.6.1. Factors improving the effectiveness of SOLVIT and SOLVIT centres.

The use of IMI

The use of the Internal Market Information System (IMI) for the SOLVIT database is working very well and is considered the appropriate IT basis for the tool. Both Member States and the Commission appreciate the quick adaptations of IMI, tailored to the particular needs of the users and to the technical developments. Overall it is considered to be a user-friendly tool.

Nevertheless, as analysed in section 5.1.5 the current functionalities of the SOLVIT application, on the one hand, do not allow for a systematic and structured use of the evidence available for the follow-up, if appropriate, of structural and unresolved cases in the infringement and policy strategy of the Commission and, on the other hand, do not allow for a systematic monitoring of the actions undertaken at the national level to address these problems.

In conclusion, being part of the IMI substantially improves the effectiveness of SOLVIT. Yet further adaptations in the SOLVIT database to handle, monitor and report structural and recurrent problems in a more systematic way would enhance the administrative capacity of the SOLVIT centres and increase transparency of actions undertaken to address these issues.

The support provided by the European Commission through trainings, workshops and informal legal advice

According to feedback from SOLVIT centres, meetings and trainings organised by the Commission are very well received and are perceived as a key element of the functioning of the network. Each year, two SOLVIT workshops are organised by the Commission with the cooperation of responsible Commission experts[42] per legal area. The user surveys conducted among SOLVIT centres demonstrate increased levels of statisfaction amongst the participants, especially for the legal sessions. Currently, online interactive tools such as 'e-learnings' are not used.

In addition, the Commission services provide informal legal advice (ILA) in cases where two SOLVIT centres have already prepared different legal assessments of the case, but cannot agree which of them is right. [43] The overview of issues reported, the adequate preparation and coordination of the requests for ILA submitted and the informal relations necessary to motivate this voluntary supply of expertise are managed by the team coordinating the network in the Commission (EC SOLVIT team). The use of the tool of the informal legal advice improves the SOLVIT service and the legal expertise of the network. It could be further improved through a more direct cooperation between Commission experts and SOLVIT centres as requested by the Member States in their 2015 policy paper on SOLVIT ('Lisbon Paper').

In 2015, out of 50 informal legal advices provided, 18 took longer than two weeks to be delivered. Although there is a possibility provided to the centres to give feedback on the ILA

42 Up to date 42 SOLVIT workshops have been organised.

43 This advice does not express the official position of the Commission, but merely an informal opinion on the case given by the Commission's expert in the area concerned.

provided, this was never used. Around 50% of the cases where an ILA was delivered were unresolved.

In conclusion, the legal support of the Commission services through trainings, workshops and informal legal advice is a factor contributing to the effectiveness of SOLVIT but it should be further enhanced, inter alia through the use of interactive tools and direct cooperation of Commission experts and SOLVIT centres.

5.1.6.2. Factors impeding the effectiveness of SOLVIT and SOLVIT centres.

Lack of systematic and structured set-up for the handling, follow-up and reporting of problems detected in SOLVIT linked to breaches of EU law by the Member States

As analysed in section 5.1.5, the 2013 Recommendation clarified that, apart from individual complaints relating to one-off misapplications of EU legislation by public authorities, SOLVIT also deals with problems linked to breaches of EU law. Quality objectives were also set to achieve this objective. Nevertheless, currently there is no systematic and structured set-up for the handling, follow-up and reporting of these problems detected in SOLVIT. This impedes the effectiveness of the network to address barriers in the Single Market and should be addressed.

This factor is also identified in the Member States' policy paper from September 2016 on the future of SOLVIT. They stress that repetitive cases without structural solutions are not effectively dealt with by the Commission or referred to the Council and co-legislators. A clear follow-up procedure for these unresolved cases is lacking. Neither SOLVIT centres nor complainants are informed about whether there will be a follow-up. The paper notes that the follow-up of the unresolved SOLVIT cases is not transparent and that there is a lack of clear reporting and mechanism to the Member States and SOLVIT centres.

Similarly, consultations with key representatives of business stakeholders on the existing functioning of the network demonstrated the expectation from business for a more active engagement of the Commission*, inter alia* through strengthening the provision of informal legal advice, in technical/politically sensitive issues, as well as through reporting and ensuring the assessment and the follow-up of unresolved SOLVIT cases by the relevant Commission services. This comes up as an important element to increase SOLVIT's problem-solving capacity and its role as a smart enforcement tool for the application of EU legislation on 'the ground'.

Lack of adequate staffing, legal expertise and authority for SOLVIT centres

The 2013 Commission Recommendation stressed that Member States should ensure that adequate human and financial resources are available so that SOLVIT can deal with its caseload and provide a high quality service to users. Nevertheless, as illustrated in the staff assessment in section 5.1.3 in 2015, the staffing levels in SOLVIT centres continue to vary and, in some centres, high turnover makes business continuity and efficient case handling more difficult. [44]

In addition, as analysed in section 5.1.3, consultations with the SOLVIT centres and the business stakeholders demonstrate that there is a need to enhance the legal expertise of

44 See http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/solvit/index_en.htm

SOLVIT centres, especially in complex legal areas, as well as their administrative capacity and their authority, by increasing the support of the Commission services, inter alia in legal advice as regards the interpretation of EU law. The fact that SOLVIT has a wide mandate covering the full spectrum of Single Market legislation usually makes it easier for the relevant Commission services to deploy their expertise as regards the interpretation of EU law than for individual SOLVIT centres.

In their 2015 policy paper (the so-called 'Lisbon paper') on the future of SOLVIT, Member States stress that in order for SOLVIT to be more effective, the network requires a better connection with the Commission services. SOLVIT should be widely regarded as the first step in the enforcement of EU law. Linking EU complaint procedures would also ensure more pressure to push for better administrative practices or legal reforms, where appropriate. Investigation by the Commission of structural breaches of EU law which SOLVIT was not able to solve, would moreover give national authorities an incentive to cooperate with SOLVIT.

The importance of Member States appropriately equipping and positioning their national SOLVIT centres to adequately fulfil SOLVIT's role as the first step in the enforcement of the EU acquis was reiterated in the Competitiveness Council Conclusions on February 2016. [45] This was repeated in May 2016[46] by the European Parliament, which called on the Member States to appropriately equip and adequately position their national SOLVIT centres in order for them to fulfil their role.

The limited authority and legal expertise of SOLVIT have also been reported as reasons for not using SOLVIT by business: [47]

- Businesses may **question SOLVIT's capacity to act independently** of other authorities, since SOLVIT centres are part of national administrations.
- The financial interests at stake are generally higher than with citizens' cases, making national authorities more reluctant to comply.
- Businesses usually prefer to have more **legal certainty.**
- Proving that a particular national restrictive measure is unjustified calls for **technical expertise** and formal powers that SOLVIT centres do not have (for example in the area of mutual recognition for non-harmonized goods).

Limited awareness of SOLVIT and the services it offers, especially by businesses

As analysed above in section 5.1.4 on the use of SOLVIT, limited awareness and still weak cooperation of SOLVIT with partner networks hinders its full potential to ensure that all individuals and businesses have access to a means of redress when their EU rights are breached. Up to date, the awareness raising strategy on SOLVIT has mostly resulted in a high percentage of out scope cases received by the network (53% in 2015) and still a very small proportion of business in comparison to citizens cases (4% in 2015).

45 See http://data.consilium.europa.eu/doc/document/ST-6622-2016-INIT/en/pdf.

46 See Report "The Single Market Strategy" (2015/2354(INI), rapporteur Lara Comi, European Parliament, May 2016.

47 Source 2011 SOLVIT evaluation, 'Enforcement in the EU Single Market', Jacques Pelkmans and Anabela Correia De Brito, Centre for European Policy Studies, 10 October 2012, SOLVIT annual reports, consultations with business stakeholders over the years and in 2016.

Conclusion

The general objective of SOLVIT to deliver fast, effective and informal solutions to EU internal market problems individuals and businesses encounter and to contribute to a better functioning Single market by fostering and promoting better compliance with Union law has not been fully met.

The minimum standards and operational and quality objectives set out by the 2013 Recommendation for the network and the Commission have also not been fully met. They relate to three main areas: (i) the quality of the service (ii) the use of SOLVIT and (iii) the handling, follow-up and reporting of 'structural problems' linked to breach of EU law by the Member States and unresolved cases and the link to formal Commission complaint handling,.

The effectiveness of SOLVIT as regards operational targets varies across the network and could be further improved. In 2015, 12% of the cases could not be resolved, in 23% of the cases the applicants got their first reply after the deadline of 7 days, the preparation of cases as home centre took longer than the deadline of 30 days in 14% of the cases and 34% of the cases took longer than the aim of 10 weeks. Businesses are not currently using so much of SOLVIT and the network continues to receive a lot of out of scope cases. The resolution rate of SOLVIT on cases related to breaches of EU law is low (19% in 2015) and very few individual complaints are transferred from the complaint handling procedure of the Commission to SOLVIT (1 closed SOLVIT case in 2015).

The effectiveness of SOLVIT is undermined by a number of factors, namely the lack of systematic and structured set-up for the handling, follow-up and reporting of problems detected in SOLVIT linked to breaches of EU law by the Member States, the lack of adequate staffing, legal expertise and authority for SOLVIT centres and the limited awareness of SOLVIT and the services it offers, especially by businesses.

In addition, although being part of the IMI improves the effectiveness of SOLVIT, further adaptations in the SOLVIT database to handle, monitor and report structural and recurrent problems in a more systematic way would enhance the administrative capacity of the SOLVIT centres and increase transparency of actions undertaken to address these issues. Likewise, the legal support through trainings, workshops and informal legal advice by the European Commission is a factor improving SOLVIT's functioning. This should be further enhanced, inter alia through the use of interactive tools and direct cooperation of Commission experts and SOLVIT centres.

5.2. The extent to which SOLVIT is cost efficient

The affected stakeholders by the SOLVIT intervention are citizens and to a lesser extent businesses, Member States' administrations and European Commission services.

Citizens and businesses are not required to pay any administrative fee in any of the Member States for submitting a case to SOLVIT, which is provided free of charge. The costs of the

operation of SOLVIT are related mainly to the staffing of the national SOLVIT centres and the support and coordination by the European Commission.

As regards SOLVIT's benefits, SOLVIT is providing a unique problem solving service and its benefits cannot be credibly quantified. For example it is difficult to credibly quantify the benefit from one SOLVIT case which helped to change the administrative practice affecting many more similar cases that were not recorded in SOLVIT. For illustration purposes, SOLVIT's benefits can be highlighted in comparison to the costs that would occur for citizens and businesses, national administrations and the European Commission in the absence of SOLVIT and the use of other alternative means of redress for problems related to EU rights. These alternative means are national legal advice, court procedures at the national level and formal infringement proceedings at the EU level.

In detail:

Costs

Citizens and business are not required to pay any administrative fee in any of the Member States for submitting a case to SOLVIT, which is provided free of charge.

It is very difficult to credibly quantify the costs of the operation of the SOLVIT network at the national level taking into account the the fact that SOLVIT centres are part of the national administration in Member States. The staff numbers are different and vary across the network (from 0.1 to 4 FTE) as analysed in section 5.1.3. The SOLVIT average staff in terms of FTE across the network is 1,9 FTE and in total 57,2 FTEs for 2015. In addition, for subsidiarity reasons every MS is free to decide about the organisation of the system meaning that it could happen that a given MS allocates part of the resources (staff, rooms, IT, etc.) to SOLVIT and the rest to other projects and that this can change even in the course of a given year.

The cost of support from the Commission Services is also difficult to quantify. The support is provided from the EC SOLVIT team within DG GROW (4 FTEs) but also from case handlers in other DGs as SOLVIT covers the whole spectrum of the Single Market legislation (i.e. preparation of informal legal opinions, trainings etc).

SOLVIT does not have a dedicated budget line for its operation but it is integrated in the budget of the Internal Market Governance Tools (budget line 02.030400). For 2015, the cost of trainings and workshops was very limited, amounting to 50 000 euros.

It is even more difficult to quantify the costs of SOLVIT in its contribution to a better functioning Single Market, by fostering and promoting better compliance with Union law, as this entails reforms and changes in the administrative practice and legislation of Member States.

Benefits

The service of SOLVIT is provided free of charge to citizens and businesses and aims to deliver a solution within 10 weeks. In 2015, the average time taken to handle a case was 69 days.

The benefits from the operation of SOLVIT are not credibly quantifiable. They can be presented in comparison to the costs and the time related to the absence of the SOLVIT intervention in a cross-border problem faced by a citizen or a business. As alternatives to the use of SOLVIT can be considered legal advice and administrative appeals, national courts procedures and formal European Commission infringement procedures which **are costly and lengthy for i) citizens and businesses, ii) national administrations and iii) the European Commission.**

i) For citizens and businesses, in the pre-litigation stage, the main costs to take into consideration are linked to finding (legal counsel) and paying counsel's pre-litigation fees. The litigant's first concern is to assess the opportunity cost of taking legal action and to evaluate the expenses inherent by obtaining relevant information and making appropriate requests. [48]

As regards the cost of national court procedures, the five main sources of costs for court procedures in the Member States are as follows: (a) court fees, (b) lawyer's fees, (c) bailiffs' fees (or, when there is no status such as bailiff in the Member State, the cost for the judgement enforcement), (d) expert fees, and (e) translation fees. Litigation costs in civil and commercial matters are governed by national legislation and costs are not harmonised at EU level. Thus, costs vary from one Member State to another and are difficult to evaluate as they depend on each case. [49] An example of the aggregate costs for a first instance court proceeding for a family law case in a cross-border situation is €2 259.74 euros in Austria and €3 972.00 in Cyprus.

Lawyers' fees constitute a major part of costs of justice. They are also difficult to evaluate for several reasons. First, in certain countries, regulations forbid the publication of lawyers' services fees. Second, each case is unique and lawyers are most often paid according to the time spent on a case. [50]

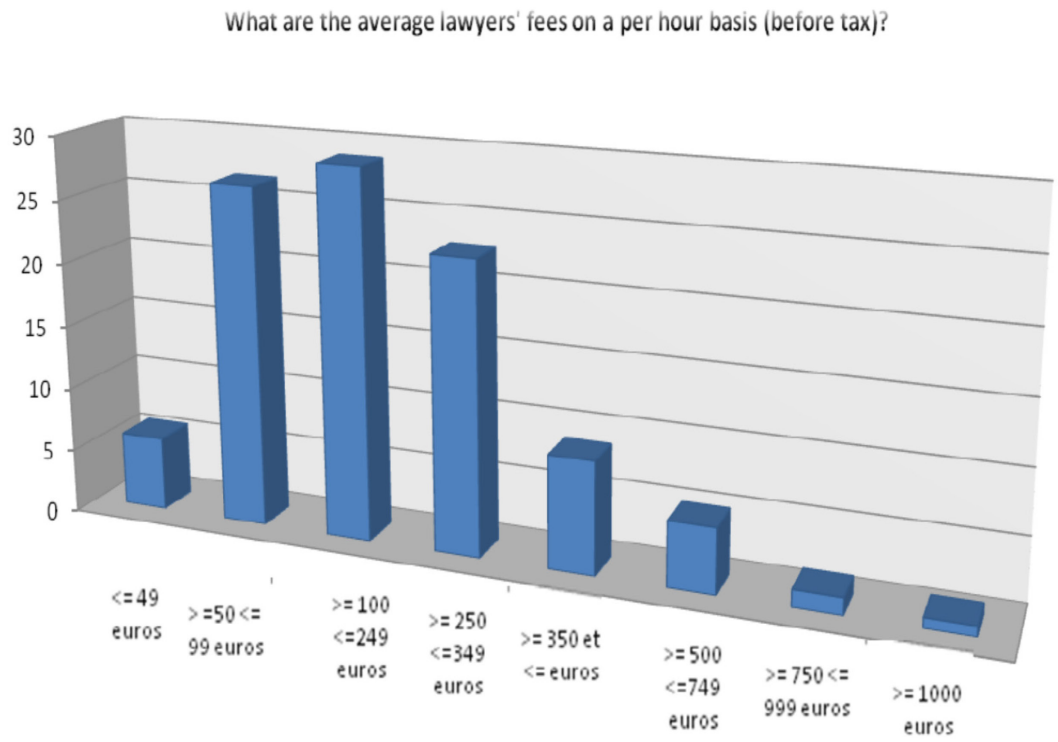
An illustration of the average of lawyers' fees based on a public questionnaire is presented in the following table:

Table 14: Average lawyers' fees on an per hour basis (source public questionnaire, Study on the Transparency of Costs of Civil Judicial Proceedings in the European Union, 2006)

48 See Study on the Transparency of Costs of Civil Judicial Proceedings in the European Union, Demolin, Brulard, Barthelemy conducted for the European Commission, DG Justice, Freedom and Security, 2006, available at https://e-justice.europa.eu/content_costs_of_proceedings-37-en.do

49 See Study on the Transparency of Costs of Civil Judicial Proceedings in the European Union, Demolin, Brulard, Barthelemy conducted for the European Commission, DG Justice, Freedom and Security, 2006, available at https://e-justice.europa.eu/content_costs_of_proceedings-37-en.do

50 See Study on the Transparency of Costs of Civil Judicial Proceedings in the European Union, Demolin, Brulard, Barthelemy conducted for the European Commission, DG Justice, Freedom and Security, 2006, available at https://e-justice.europa.eu/content_costs_of_proceedings-37-en.do



Therefore, the intervention of SOLVIT, which is provided free of charge, can be assessed as efficient in comparison to the different costs citizens and businesses have to incur if they seek redress through a legal advice to make an administrative appeal or pursue national court procedures.

The **time** needed to resolve administrative cases in court procedures also varies in Member States. In 2013, the average disposition time in the EU in first instance courts for administrative cases was 441 days.[51] In 31st December 2013, the number of administrative cases pending in first-instance courts per Member State (EU average) was 81 365 cases. Similarly, in comparison to previous years, the conclusion of the E-justice scoreboard for 2015 was that for administrative cases, the length of proceedings has worsened in more countries than it has improved. In addition, most Member States have a clearance rate below 100% which shows that they are facing difficulties in coping with incoming cases. [52]
As regards **Commission infringement** procedures, in December 2015, around 732 infringement proceedings were pending in the area of the Single Market. On average, infringement proceedings take 30 months to address the issues contested.[53]

51 See' Study on the functioning of judicial systems in the EU Member States, Facts and figures from the CEPEJ questionnaires 2010-2012-2013, Study prepared under the authority of the Working Group on the evaluation of judicial systems (CEPEJ-GT-EVAL), for the attention of the European Commission (Directorate General Justice), 16th February 2015 available at http://ec.europa.eu/justice/effective-justice/files/cepj_study_scoreboard_2015_en.pdf
52 See 2016 EU Justice Scoreboard available at http://ec.europa.eu/justice/effective-justice/scoreboard/index_en.htm
53 See http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/infringements/index_en.htm

Therefore, the intervention of SOLVIT, in an average of 69 days in 2015, can be assessed as efficient in comparison to the EU average of 441 days in first instance court procedures for administrative cases and to the 30 months average length of a formal European Commission infringement procedure.

ii) For **national administrations**, it could be expected that, in the absence of SOLVIT, most of the cases would be directly submitted to court procedures. Nevertheless, it is very difficult to credibly quantify the benefits of the SOLVIT intervention as a presentation of the operational costs of court procedures. This entails the calculation of operational costs (eg staffing of judges, administrative posts etc) for administrative cases related to EU law that include a cross-border element in national court procedures. For illustration purposes, in 31st December 2013, the number of administrative cases pending in first-instance courts per Member State (EU average) was 81 365 cases and the total of resolved cases in first-instance courts for all legal areas excluding criminal law was 1 315 018 per Member State (EU average). This amounts to a proportion of 0,061 administrative cases in the total of cases related to all other legal areas apart from criminal law (EU average). The EU average number of judges was 2 624 and of administrative staff 7 602 (total 10 226 FTEs), amounting proportionally to 632 FTEs on an EU average for administrative cases.[54]

iii) Similarly, for the **European Commission,** it could be expected that, in the absence of SOLVIT, most of the cases would be directly submitted to the Commission as complaints, thereby substantially increasing the workload of relevant Commission services. Nevertheless, it is very difficult to credibly quantify the benefits of the SOLVIT intervention as a presentation of the costs of the operation for the formal infringement procedures of the European Commission. This entails the operational cost of the different case handlers etc. across the European Commission dealing with its enforcement strategy.

Therefore, although not credibly quantifiable, the intervention of SOLVIT with the limited operational resources it requires (1,9 FTE on EU average and limited resources at the Commission's level) can be assessed as efficient in comparison to operationally costly and lengthy court procedures at the national level and fomal infringement procedures of the European Commission.

Conclusion

SOLVIT is providing a free, unique and efficient problem solving service for (a) citizens and to a lesser extent businesses, in comparison to costly and lengthy legal proceedings,

[54] See' Study on the functioning of judicial systems in the EU Member States, Facts and figures from the CEPEJ questionnaires 2010-2012-2013, Study prepared under the authority of the Working Group on the evaluation of judicial systems (CEPEJ-GT-EVAL), for the attention of the European Commission (Directorate General Justice), 16th February 2015 available at http://ec.europa.eu/justice/effective-justice/files/cepj_study_scoreboard_2015_en.pdf

(b) Member States that do have the obligation to implement EU law and to ensure that it is correctly applied, in comparison to costly and lengthy legal proceedings at the national level and formal infringement proceedings at the EU level and (c) the Commission in its role as guardian of the treaties, in comparison to costly and lengthy formal infringement proceedings.

5.3. The extent to which SOLVIT is relevant

SOLVIT meets the need of EU citizens and businesses of having access to an easy and informal out of court solution to their cross-border complaints regarding breaches of EU law by national authorities. In terms of providing this kind of solution in the Single Market area, SOLVIT is the only service provider covering this 'niche'.

SOLVIT deals with all cross-border problems related to the four freedoms of movement (persons, goods, services and capital) including supporting policies that have a direct impact on the Single Market (such as taxation, employment, social policy and transport). Single Market legislation includes measures considered to have an impact on the functioning of the Single Market, as defined in Articles 26 and 114 (1) in the Treaty on the Functioning of the European Union (TFEU).

While it is difficult to assess the exact size of the cross border dispute resolution 'market', it is clear that there is a need for an informal problem-solving tool such as SOLVIT. The numbers are growing steadily. In 2014, around 8.2 million EU-28 citizens were working or looking for a job in one of the 28 EU Member States other than their country of citizenship. Compared to 2013, the number of active EU-28 movers in the Member States increased by around 7%. Among those 8.2 million active EU-28 movers, around 4.3 million have moved to their current country of residence in 2004 or later ('recent' movers). In 2014, around 11.1 million EU-28 citizens of working age (including employed and unemployed job-seeking) were living in an EU Member State other than their country of citizenship. Cross-border work has increased over the last 10 years, largely due to the accessions of the new Member States.[55] The figures show that the Single Market is becoming a stronger reality, and therefore SOLVIT has a more than ever important role to play in handling individual complaints and enforcing the Single Market legislation.

Over the years, the number of cases in SOLVIT has grown from 155 in 2003 to 2 228 in 2015. In 2015, apart from handling 2 228 cases falling within its mandate, it also received another 2 500 complaints falling outside its remit. For the latter cases, SOLVIT helped complainants by explaining their EU rights in more detail or by suggesting other means of redress. In 2015, 12% of all SOLVIT cases and 84% of cases related to breaches of EU law were unresolved. This evidence clearly suggests that the objectives of SOLVIT still remain valid and that problems related to breaches of EU law by Member States persist.

Consultations with key representatives of business stakeholders on the existing functioning of the network demonstrated the interest of businesses in making more use of SOLVIT. At the same time, businesses request more active engagement from the Commission in supporting the network*, inter alia* through strengthening the provision of informal legal advice, in technical/politically sensitive issue and through reporting and ensuring the assessment and the

55 See 2015 European Commission's Annual Report on Labour Mobility.

follow-up of unresolved SOLVIT cases by the policy units responsible across the Commission. This seems an important element to increase the authority of SOLVIT and consequently both its problem-solving capacity and its role as a smart enforcement tool for the application of EU legislation on 'the ground'.

The functioning of the SOLVIT network is based on the IMI regulation, which allows easy adaptation to technological developments when necessary.

Conclusion

The need for an effective functioning of the Single Market for citizens and businesses remains highly relevant, taking into account the steady increase in cross border activity. In this context, the need for problem solving services offered to citizens and businesses when their EU internal market rights are breached by public authorities also remains highly valid, given the regular increase in the number of SOLVIT cases and the number of unresolved SOLVIT cases, especially those related to breaches of EU law. The functioning of the SOLVIT network is based on the IMI regulation, which allows easy adaptation to technological developments when necessary.

5.4. To what extent is SOLVIT coherent internally and with wider EU policy

As analysed in the previous section, SOLVIT is a unique cooperation tool between Member States' administrations and the European Commisson, to help citizens and businesses with their cross border activities when their EU rights have been denied by a public authority.

To ensure coherence and complementarity with other EU and national assistance and information services, the 2013 Recommendation contains provisions on cooperation with other networks and contact points such as *Your Europe*, Europe Direct, Your Europe Advice, the Enterprise Europe Network, European Consumer Centres, EURES, Fin-Net and the European Network of Ombudsmen. Cooperation between SOLVIT and other organisations predominantly takes the form of signposting cases from one organisation to the other. Complaints and questions can now be directly transferred from SOLVIT to Your Europe Advice and the Europe Direct Contact Centre and vice versa. In addition, the *Your Europe* website contains an online "Get help and advice" button that sign-post users (after replying to some questions) to either SOLVIT or Your Europe Advice. This Common Intake Form aims to lower the number of cases that had been incorrectly directed to SOLVIT. Furthermore, Your Europe Advice is providing a supporting role to SOLVIT in terms of providing legal advice to fill current gaps. As analysed in section 5.1.4 on the use of SOLVIT, the cooperation with other networks has not been fully developed to raise awareness of SOLVIT and clarify the services it offers, especially as regards businesses. The network continues to receive too many out of scope cases and a very small proportion of business in comparison to citizens' cases.

SOLVIT is conceptually coherent with the European Commission's complaint handling and enforcement policy[56] as it aims to adress barriers in the Single Market and improve the enforcement of EU law. Nevertheless, although, as analysed in the section on the effectiveness

56 See 'Better Governance for the Single Market', European Commission Communication COM (2012) 259 final.

of SOLVIT, the 2013 Recommendation set out minimum standards and quality objectives for the handling, follow-up and reporting of 'structural problems' linked to breach of EU law by the Member States and unresolved cases and the link to formal Commission complaint handling, SOLVIT is not currently effective. The lack of structured and systematic use of the information detected in SOLVIT does not allow for the effective case handling of 'structural cases' in SOLVIT. In addition, there is lack of a clear and systematic cooperation mechanism between on the one end SOLVIT and the evidence gathered, through its cases, from the practical implementation of the Single Market legislation 'on the grounds' and on the other end the infringement and policy strategy of the Commission services.

In addition, the Commission's complaint handling link to SOLVIT is not functioning effectively as in 2015 only one closed case was transferred to SOLVIT.

Finally, ensuring a deeper and fairer Internal Market is one of the ten priorities of the current Commission. To ensure a fairer Single Market, the EU must address the concerns of both citizens and businesses. They must have the assurance that the Single Market works in practice and feel empowered to benefit from it.[57] The Single Market Strategy aims to achieve this through targeted actions in three key areas: creating opportunities for consumers, professionals and businesses; encouraging and enabling the modernisation and innovation that Europe needs; ensuring practical delivery that benefits consumers and businesses in their daily lives. This approach was widely endorsed by the Competitiveness Council in November 2015[58] and by the December 2015 European Council[59].

In the context of ensuring practical delivery, the SMS stresses the importance of a culture of compliance and smart enforcement to be achieved inter alia through strengthening and streamlining the Single Market problem-solving tools, including the SOLVIT network and considering giving appropriate follow-up to recurrent or structural cases that could not be resolved through SOLVIT. [60]

Conclusion

SOLVIT is a unique cooperation tool between Member States' administrations to help citizens and businesses with their cross border activities when their EU rights have been denied by a public authority. It is conceptually coherent with other information and assistance networks at the EU and national level but there is need to strengthen their cooperation to raise awareness of SOLVIT and clarify the services it offers to fully exploit synergies and efficiencies. SOLVIT is also conceptually coherent with the European Commission's enforcement policy but a systematic and structured reporting on problems linked to breaches of EU law detected through SOLVIT is missing.

The Single Market Strategy has identified strengthening SOLVIT as a tool to ensure the practical delivery of the Single Market to citizens and businesses and to promote the smart enforcement of EU law.

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions *"Upgrading the Single Market: more opportunities for people and business"*, Brussels, 28.10.2015 COM (2015) 550 final.

58 http://www.consilium.europa.eu/en/meetings/compet/2015/11/30-01/

59 http://www.consilium.europa.eu/en/press/press-releases/2015/12/18-euco-conclusions/

60 Action 4.1. *'Ensuring practical delivery: A culture of compliance and smart enforcement'* of the 'SMS', COM (2015) 550 final.

5.5. What is the EU added value of SOLVIT

The Single Market offers many opportunities to individuals who want to live and work in another Member State and to businesses that wish to expand their markets. Problems arise where public authorities do not respect Union law.

Member States have the primary responsibility for the correct transposition, application and implementation of EU law.[61] As guardian of the Treaties, the Commission has the duty to monitor the Member States' action in implementing EU law and to ensure that their legislation and practice complies with EU law.[62] The 2013 Recommendation reaffirmed the principles governing SOLVIT, which is a network of centres set up by Member States within their own national administrations, as a fast and informal means of resolving problems individuals and businesses encounter when exercising their rights in the Single Market.

The wide mandate of SOLVIT covering all EU law governing the Single Market, including the four freedoms and supporting policies that have a direct impact on the Single Market (such as taxation, employment, social policy, education, culture, public health, consumer protection, energy, transport, environment except nature protection and information society and media) justifies the necessity to undertake action at EU level for its objectives.

SOLVIT deals with cross-border problems which justifies the need for a coordinated administrative cooperation at the EU level rather than individual actions by Member States. As already indicated beforehand, it is difficult to estimate the exact size of the cross border dispute resolution 'market'. Nevertheless, the cross-border mobility in the EU, the steadily increasing number of cases in SOLVIT in combination with the unresolved cases demonstrate that action is necessary at EU level for the reinforcement of this informal problem solving tool.

Conclusion

The wide mandate of SOLVIT covers all EU law governing the Single Market, including the four freedoms and supporting policies that have a direct impact on the Single Market. There is an EU added value due to the necessity, on the one hand, to provide fast and informal problem solving services to citizens and business when their EU rights are not respected by public authorities and, on the other hand, to contribute to a better functioning Single Market by fostering and promoting better compliance with EU law. As the problems addressed are by definition cross-border, the EU level added value is self-explanatory.

6. CONCLUSIONS

The analysis has shown that even if the adoption of the 2013 Recommendation set out minimum standards and operational and quality objectives for the network and the Commission in three main areas: (i) the quality of the service (ii) the use of SOLVIT and (iii) the handling, follow-up and reporting of 'structural problems' linked to breach of

61 Article 4(3) TEU, Articles 288(3) and Article 291(1) TFEU.
62 Article 17(1) TEU.

EU law by the Member States and unresolved cases and the link to formal Commission complaint handling, these objectives have not been fully met.

The effectiveness of SOLVIT is undermined by a number of factors, namely the lack of systematic and structured set-up for the handling, follow-up and reporting of problems detected in SOLVIT linked to breaches of EU law by the Member States, the lack of adequate staffing, legal expertise and authority for SOLVIT centres and the limited awareness of SOLVIT and the services it offers, especially by businesses.

In addition, although being part of the IMI substantially improves the effectiveness of SOLVIT, further adaptations in the SOLVIT database to handle, monitor and report structural and recurrent problems in a more systematic way would enhance the administrative capacity of the SOLVIT centres and increase transparency of actions undertaken to address these issues. Likewise, the legal support through trainings, workshops and informal legal advice by the European Commission is a factor improving SOLVIT's functioning. This should be further enhanced, inter alia through the use of interactive tools and direct cooperation of Commission experts and SOLVIT centres.

However, the need for problem solving services offered to citizens and businesses when their EU internal market rights are breached by public authorities remains highly relevant, and coherent with other EU policy actions. With the existing functioning of SOLVIT failing to reach fully its objectives, EU action is considered necessary to address identified shortcomings to turn the SOLVIT network into a more effective instrument to deliver fast, effective and informal solutions to EU internal market problems individuals and businesses encounter and to contribute to a better functioning Single market by fostering and promoting better compliance with Union law.

7. ANNEX: EXISTING FRAMEWORK AND EXISTING STUDIES AND EVALUATIONS

Date	Title of study/assessment	Conducted by	Evaluation activity	Categories of stakeholders interviewed
2011	'Special Eurobarometer 363. Internal Market: Awareness, perceptions and impacts'.	Eurobarometer survey conducted by TNS Opinion & Social on behalf of the EC DG for Internal Market and Services.	Conducted by TNS Opinion & Social on behalf of the EC DG for Internal Market and Services.	EU citizens were asked to whom they would turn if they had a problem related to the breach of EU law by a public authority in another country.
2011	'Help us identify business obstacles in the internal market'	European Business Test Panel	Survey	359 businesses mostly from Germany, Poland, the Netherlands and Hungary.
November 2011	Final Report 'Evaluation of SOLVIT'	Centre for Strategy and Evaluation Services on behalf of Directorate General for Internal Market and Services	Framework Contract for projects relating to Evaluation and Impact Assessment activities	The fieldwork for this evaluation was carried out between February 2011 and April 2011. It includes interviews of SOLVIT centres, Commission officials and external parties at national level. It also included an analysis of documentation, SOLVIT cases in the database and two on line surveys.
2012	'Enforcement in the EU Single Market'.	Centre for European Policy Studies	Study (Pelkmans, J. and Correia de Brito, A. for CEPS)	Desk study
2012	'Better Governance for the Single Market',	European	European Commission	-

	Commission Communication COM(2012) 259 final	Commission	Communication	
2012	Commission staff working document "Reinforcing effective problem-solving in the Single Market – Unlocking SOLVIT's full potential at the occasion of its 10th anniversary", SWD(2012) 33 final, 24.02.2012	European Commission	Staff working document	Findings of the 2011 Final Report 'Evaluation of SOLVIT' complemented and enriched by other sources of information, such as SOLVIT's annual reports[63] and the results of various recent studies by Eurobarometer[64].
2012	'Making the Single Market deliver- Annual performance check-up 2011'	European Commission	Study	
September 2015	'Smart Single Market Regulation' (IP/A/IMCO/2015-02 PE 563.442)	London Economics for the European Parliament, Directorate General for Internal Policies, Policy Department A, Economic and Scientific Policy at the request of the Internal Market and Consumer Protection Committee	Study	Desk study
October 2015	Commission Staff Working Document 'A Single Market Strategy for Europe - Analysis	European Commission	European Commission Staff Working Document	Study

63 See, for the results of 2011, the Commission's Staff Working Paper 'Making the Single Market Work: Annual Governance Check Up 2011'

64 Special Eurobarometer survey number 363: "The Awareness, Perception and Impacts of the Internal Market", run in February 2011 in the form of individual interviews with 26 836 citizens from all over the EU http:// ec.europa.eu/public_opinion/archives/ebs/ebs_363_en.pdf; Eurobarometer Qualitative Study, Local Government and the governance of the Single Market, September 2011 - http://ec.europa.eu/public_opinion/archives/quali/ql_local_authorities_en.pdf;

	and Evidence' SWD(2015) 202 final			
December 2015 / January 2016	Panel survey European Internal Market	Netherlands Chamber of Commerce	Panel survey. Entrepreneurs were asked about modes of EU internationalisation, benefits, perceptions, obstacles and knowledge and information provision with regard to doing business in the internal market.	Out of the 6,576 entrepreneurs in the chamber's entrepreneurs panel that were asked to participate, 2,585 entrepreneurs filled in the questionnaire – a response rate of 39.3%.
April 2016	"Reducing Costs and Barriers for Businesses in the Single Market" IP/A/IMCO/2015-06 April 2016 PE 578.966	Conducted by LE Europe for the Policy Department A at the request of the Internal Market and Consumer Protection Committee of the European Parliament	Study	Desk study
April 2016	'Towards improved single market regulation', P8_TA(2016)0105, (2015/2089(INI))		Resolution	
May 2016	"The Single Market Strategy" (2015/2354(INI), rapporteur Lara Comi	European Parliament	Report	
July 2016	Single Market Scoreboard	European Commission	Annual assessment of the performance of SOLVIT.	